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STATE OF NEW HAMPSHIRE
SITE EVALUATION COMMITTEE

January 31, 2018 - 1:15 p.m. DELIBERATIONS
49 Donovan Street
Concord, New Hampshire

DAY 2
Afternoon Session ONLY

{*Electronically filed with SEC 02-05-18*}

IN RE: SEC DOCKET NO. 2015-06
 Joint Application of Northern
 Pass Transmission LLC and
 Public Service of New
 Hampshire d/b/a Eversource
 Energy for a Certificate
 of Site and Facility
 (*Deliberations*)

PRESENT FOR SUBCOMMITTEE/SITE EVALUATION COMMITTEE:

Chmn. Martin Honigberg	Public Utilities Comm.
(<i>Presiding Officer</i>)	
Cmsr. Kathryn M. Bailey	Public Utilities Comm.
Dir. Craig Wright, <i>Designee</i>	Dept. of Environ. Serv.
Christoper Way, <i>Designee</i>	Dept. of Business & Economic Affairs
William Oldenburg, <i>Designee</i>	Dept. of Transportation
Patricia Weathersby	Public Member
Rachel Dandeneau	Alternate Public Member

ALSO PRESENT FOR THE SEC:

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

Pamela G. Monroe, SEC Administrator

(*No Appearances Taken*)

COURT REPORTER: Cynthia Foster, LCR No. 14

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P R O C E E D I N G S**(Hearing resumed at 1:15 p.m.)**

1
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3 PRESIDING OFFICER HONIGBERG: We're going
4 to resume. We're going to continue to talk
5 about property values. We've talked about a lot
6 about Dr. Chalmers' work and the criticisms of
7 it. We haven't really touched on his opinion
8 about property values along the underground
9 portion. My memory that his opinion is there
10 will be no effect. Ms. Weathersby?

11 MS. WEATHERSBY: I don't think I have a
12 whole lot to add. I think you're correct in
13 that Mr. Chalmers indicated that because there
14 was no visibility of the Project along the
15 underground portions of the route, most of those
16 regions, then it wouldn't have an effect on
17 their property.

18 Conversely, we heard testimony that with
19 this high voltage transmission line in someone's
20 front yard that that may scare some buyers off,
21 there may be some stigma with those properties.
22 We heard some testimony concerning that just the
23 presence of the line even though you couldn't
24 see it would have some effect on property

1 values.

2 PRESIDING OFFICER HONIGBERG: Any other
3 thoughts on property values people want to
4 offer?

5 MS. WEATHERSBY: I just thought of another
6 area that may have been overlooked in
7 Dr. Chalmers' analysis and that was I don't
8 think he analyzed at all the properties near
9 substations, transition stations, converter
10 stations; that he focused primarily on
11 structures and the conductors and not
12 properties, say, like the Bilodeaus or some of
13 the other, Mr. Thompson, some of the ones that
14 had views of the larger infrastructure.

15 I think another point that we probably
16 should discuss was the property value guarantee,
17 the price guarantee that was offered by Northern
18 Pass. Is this a good time to do that?

19 PRESIDING OFFICER HONIGBERG: You mean the
20 proposed agreements with the towns regarding
21 property taxes?

22 MS. WEATHERSBY: No. There was a, if
23 someone could show that they suffered a loss
24 that they would --

1 PRESIDING OFFICER HONIGBERG: I described
2 that generally.

3 MS. WEATHERSBY: You did already. That's
4 fine.

5 PRESIDING OFFICER HONIGBERG: Did I get it
6 right? I think I did.

7 MS. WEATHERSBY: I think you did. I'm
8 sorry. I had forgotten.

9 PRESIDING OFFICER HONIGBERG: Any other
10 thoughts on property values?

11 Let me pick up property taxes again. I
12 made a brief reference to them earlier. Lisa
13 Shapiro testified for the Applicant regarding
14 property taxes. We've seen from her and from
15 the Applicant repeatedly in questioning
16 representatives of the towns how Northern Pass
17 if it were to be built would stack up as a
18 property taxpayer in each of the towns. It
19 would be a significant property taxpayer in many
20 places. It would be especially large in the
21 places like Franklin where there would be the
22 converter station in place.

23 The Applicant also has proposed to each of
24 the towns a property tax guarantee program under

1 which if the municipality agrees to a particular
2 way of appraising a property, then the company
3 will guarantee a certain level for, I think it's
4 two years. That was discussed with a number of
5 municipalities, not loved, not really discussed.
6 There are a handful of places where I think that
7 is of some interest, and I think if the Project
8 were to go forward, my guess is there would be a
9 lot more places that would be interested in it.
10 There's not much else to say about property
11 taxes.

12 We didn't hear -- we heard allusions and
13 beliefs that property values will go down. We
14 heard limited testimony from Easton, I believe
15 from Ms. Pastoriza, of people who are already
16 seeking abatements, but we didn't see much other
17 than a couple oral statements about that and
18 opinions that it will happen. In the towns and
19 near the line if it's built people will be
20 seeking abatements saying that the value of
21 their property has gone down.

22 We heard some testimony and acknowledgment
23 from, I've forgotten from who now from the
24 Applicant, that view is a component of value.

1 There's a lot of people who know that to be true
2 from the property assessment backgrounds that
3 there's no separate view tax, but a property
4 with a view may be worth more than a property of
5 a similarly situated property that doesn't have
6 a view.

7 That's my memory of the property tax
8 issues. It may be Mr. Sansoucy. I think there
9 were others who alluded to it as well.

10 Commissioner Bailey?

11 COMMISSIONER BAILEY: I think the evidence
12 on the value of property taxes is mixed. In
13 some respects, the revenue from property tax if
14 it's used to invest in the community would
15 improve the economy. I lost my train of
16 thought. Sorry. But there were -- no, I'll
17 have to leave it at that for right now.

18 PRESIDING OFFICER HONIGBERG: Others? All
19 right. Mr. Way, you want to pick up another
20 element of the economics issue?

21 MR. WAY: Sure. We have orderly
22 development, 301.09. We have a few more things
23 that we have to talk about.

24 We've addressed land use in the region.

1 Economy of the region. Maybe another point this
2 afternoon we can also, hoping to get to the
3 effect of the proposed facility on tourism,
4 recreation. Also, too, with orderly development
5 I think we're going to try to address
6 decommissioning later today if we get to that.

7 Next thing we're going to be looking at is
8 employment in the region which includes an
9 assessment of, one, the number and types of
10 full-time equivalent local jobs expected to be
11 created, preserved or otherwise affected by the
12 construction of the proposed facility including
13 direct construction, employment and indirect
14 employment induced by facility-related wages and
15 expenditures.

16 Two, the number and types of full-time
17 equivalent jobs expected to be created,
18 preserved or otherwise affected by the operation
19 of the proposed facility including direct
20 employment by the Applicant and indirect
21 employment induced by facility-related wages and
22 expenditures.

23 So let's discuss the position of the
24 parties.

1 Applicant asserted that construction and
2 operation of the Project will have a positive
3 impact on employment in the region. In support,
4 the Applicant filed the testimony, original and
5 updated, of its expert, Julia Frayer, from
6 London Economics and a report titled Cost
7 Benefit and Local Economic Impact Analysis of
8 the Proposed Northern Pass Transmission Project
9 dated October 16th, 2015. I think that was
10 Appendix 43, but we can get that if people would
11 like that.

12 Much of the basis for Ms. Frayer's opinion
13 was economic modeling with an output of job
14 creation. While conducting her modeling, Ms.
15 Frayer assumed that the Project will be
16 constructed over a 40-month period from 2016 --
17 which the dates obviously are changed now -- to
18 April 2019. That's not correct. From April
19 2019. She further assumed that the operation
20 phase of the Project will start in May 2019 and
21 will continue for at least 40 years.

22 To determine the number of employees needed
23 for construction, Ms. Frayer used the PI+ model.
24 I think it's probably pronounced "PI plus

1 model." Maybe I'll call it that. Developed by
2 Regional Economic Models, Inc., known as REMI,
3 to analyze potential local economic benefits of
4 the Project in terms the employment and gross
5 domestic product impacts to New Hampshire and
6 other states in New England. PI+ model uses
7 jobs input as provided by the US Bureau of
8 Economic Analysis and US Bureau of Labor
9 Statistics.

10 It should be noted that the US Bureau of
11 Economic Analysis Employment Series for states
12 and local areas comprises estimates of the
13 number of jobs, full-time, plus part-time, by
14 place of work. Full-time and part-time jobs are
15 counted at equal weight. Ms. Frayer divided the
16 estimated labor spending by fully loaded wage
17 rates that were provided by the Applicant to
18 her.

19 Ms. Frayer estimated that the Applicant
20 will spend approximately 1.1 billion on labor
21 and materials, sort of an overview here, 658
22 million in New England and 465 million outside
23 New England. Approximately 616 million will be
24 spent on labor. As to New Hampshire, Ms. Frayer

1 estimated the Applicant will spend approximately
2 400 million on labor and materials in New
3 Hampshire.

4 Ms. Frayer testified that the model assumed
5 that construction costs will be spent on
6 construction of nonresidential buildings as
7 opposed to transmission line. She opined,
8 however, that this classification of the input
9 did not alter the ultimate result of calculation
10 of the amount that was estimated, construction
11 costs remain the same.

12 Based on her modeling, Ms. Frayer concluded
13 that the Applicant will create the following
14 jobs in New England during planning and
15 construction of the Project.

16 I thought, and maybe this would be Counsel
17 for the Public, I think you had one of the
18 London Economics tables. 292. Is that
19 something we might be able to get up? It might
20 be helpful for people just to take a look at it
21 as opposed to me just reading off numbers.

22 COMMISSIONER BAILEY: Mr. Way, do you know
23 if that's the updated report or the original
24 October 2015 report? Oh, actually, she didn't

1 update the employment.

2 MR. WAY: That's correct.

3 COMMISSIONER BAILEY: So that's the October
4 2015.

5 MR. WAY: So this would be the October 2015
6 report.

7 Sorry. I will slow down.

8 COURT REPORTER: Thank you.

9 MR. WAY: You're welcome.

10 ADMINISTRATOR MONROE: Do you know which
11 table number, Mr. Way?

12 MR. WAY: I had Counsel for the Public
13 Exhibit 292. Is it figure 40 which would also
14 be in her testimony? We can go either way.

15 COMMISSIONER BAILEY: So I have this as
16 Applicant Exhibit 1 Appendix 43, page 71. And I
17 think Counsel for the Public copied that page or
18 maybe just the table. Just the table.

19 MR. WAY: Exactly. These are the direct
20 jobs that are being offered during the planning
21 and construction phase starting 2015 which we
22 had talked about during the hearing, 52, with in
23 2017, 2018, obviously some shifts there. But
24 you can see obviously there's going to be a

1 peak, however it works, of about 1249 jobs.

2 The average that you see on the far right
3 for New Hampshire is about 582 jobs over a
4 three-year span that's predicted. Over the
5 lifetime of the Project you're going to see
6 about 1006 jobs on average from construction.
7 And I think as we go through this, however we
8 discuss, I think there's pretty much agreement
9 that construction is going to create a fair
10 amount of direct jobs. And however we go
11 through this, I think that's the positive news
12 and the benefit from this Project that there
13 will be a positive impact from the jobs.

14 Fully loaded wage rates include health,
15 pension and other benefits. Ms. Frayer asserts
16 that her company cross-checked the base salary
17 provided by the Applicant and other sources and
18 independently determined that the base salary
19 provided by the Applicant was comparable.

20 Ms. Frayer further clarified the
21 construction jobs that were estimated as being
22 created in 2016 were included and estimated jobs
23 of 2017 and so forth.

24 She further confirmed that based on the

1 information provided by the Applicant only a
2 little over half the workers for direct jobs
3 will be from New Hampshire.

4 Ms. Frayer further claimed that indirect
5 jobs that will be created in the state of New
6 Hampshire during construction will be created in
7 the state of New Hampshire during construction
8 of the Project. Those are the jobs that
9 typically rise to meet the needs of the Project
10 through goods and services created in the
11 following sectors. About 24 percent will be in
12 the administrative services sector, 17 percent
13 in the professional sector, 10 percent -- that's
14 professional and technical sector, I should say.
15 Ten percent in agricultural and forestry support
16 services and then it goes downwards from there.

17 Ms. Frayer concluded that within New
18 Hampshire during the operational phase of the
19 Project there will be an estimated 137 indirect
20 jobs with an average created per year and 1010
21 induced jobs on average created per year.
22 Induced jobs, as we've been told, are those jobs
23 that may not be directly connected to the
24 Project, but just by the nature of economic

1 development they're spurred on to support.

2 Ms. Frayer further testified that most of
3 the estimated induced jobs in New England will
4 not be created if the Applicant does not qualify
5 for and clear the Forward Capacity Auction or
6 does not qualify and clear 1000 megawatts. This
7 is back to the discussion that we had earlier
8 that the Forward Capacity Market could have an
9 impact. Well, I think we see this is where if
10 there's anything, it will be an impact.

11 In addition, although Ms. Frayer disagreed
12 that will happen, she testified that the number
13 of induced jobs may be reduced as a result of
14 closure of some generating facilities that may
15 be created as a result of increased consumer
16 spending which is driven by retail electricity
17 cost savings and economic development funding
18 caused by qualifying out of the Forward Capacity
19 Auction. Once again, it goes back to the
20 discussion that we had earlier.

21 Estimated employment. During the operation
22 of the Project, Ms. Frayer used projected annual
23 operation and maintenance expenses and funding
24 data that was provided by the Applicant. Ms.

1 Frayer estimated during the first 11 years of
2 operation of the Project there will be an
3 increase by about 1,148 total jobs per year on
4 average in New Hampshire. Some of those jobs
5 will also be created by the savings in the
6 retail market that spur on new job creation.

7 Jobs created by spending feed into other
8 intermediary industries. The report does not
9 identify in which sectors -- strike that.

10 Strike that.

11 Ms. Frayer also acknowledged that local
12 employment benefits will decline from 2024 and
13 onward. She further asserted that the negative
14 employment effects from 2027 to 2029 will be due
15 to a decline in disposable income which will be
16 caused by the change in electricity costs which
17 is electricity market benefits will dissipate by
18 then.

19 She opined, however, that the employment
20 loss is not a reduction in direct jobs. Rather,
21 it's a reduction in induced labor effects and
22 caused by the fact that households are scaling
23 back and spending less on consumer expenditures.

24 Ms. Frayer also confirmed that the number

1 of estimated jobs will be lower considering the
2 decrease to wholesale electric market benefits
3 addressed in her updated report. Ms. Frayer
4 updated her calculation and estimate of New
5 Hampshire specific economic benefits including
6 jobs to address decrease in wholesale electric
7 market benefits as they relate to New Hampshire
8 estimated economic benefits.

9 The Applicant's witness, Mr. Quinlan,
10 further asserted that the Applicant is committed
11 to the New Hampshire First approach that will
12 ensure that new jobs created by the Project will
13 be made available to New Hampshire workers
14 first. According to Mr. Quinlan, the Applicant
15 has already developed and implemented the New
16 Hampshire Energy Jobs Partnership Training
17 Program which will provide job opportunities and
18 careers for New Hampshire residents.

19 Mr. Quinlan confirmed that IBEW Local Union
20 490 and 104 entered into the Project Labor
21 Agreement with the Applicant's contractor, PAR
22 Electric. Mr. Bowes, who testified later,
23 confirmed that under the PLA, the priority will
24 be given to New Hampshire based union workers.

1 He confirmed, however, that the agreement
2 defines New Hampshire based union workers as
3 union members who primarily reside in New
4 Hampshire, and, secondly, union members who
5 reside outside of New Hampshire but who are
6 members of a New Hampshire union.

7 Mr. Quinlan testified that the Applicant
8 conducted a number of job fairs in the North
9 Country that were very useful. Gathered a lot
10 of potential contractors from a number of
11 industries who demonstrated their willingness
12 and desire to work with the Applicant on
13 construction of the Project.

14 As I recall, I think they've had a couple
15 more since that point. Just recently actually.

16 Mr. Quinlan further asserted that the
17 Applicant has already established a 7.5 million
18 North Country Jobs Creation Fund. North Country
19 Jobs Creation Fund will provide funding to
20 projects designed to facilitate job creation in
21 New Hampshire's North Country.

22 The Coos County Job Creation Association
23 oversees the fund. It is represented by a Board
24 of Directors composed of local businessmen. One

1 of whom testified before us, Mr. Bouthillier,
2 Allen Bouthillier.

3 Mr. Quinlan testified that the Applicant
4 has already funded \$200,000 to the fund to be
5 spent on economic development and job creation
6 opportunities in the region.

7 Mr. Quinlan acknowledged that the grants
8 from the fund had been distributed to a number
9 of benefits in the North Country for their
10 expansion and agreed with later conclusions that
11 distributions probably could add a little bit,
12 need a little bit more rigor. Something we can
13 talk about.

14 One thing I don't have in my notes, and it
15 was an oversight we can talk about as well is
16 the Forward NH Fund. That's a similar fund that
17 was created. I think it was 200,000 for 20
18 years, and I can go back to my notes.

19 COMMISSIONER BAILEY: 200 million.

20 MR. WAY: I'm sorry. 200 million over 20
21 years.

22 COMMISSIONER BAILEY: Ten million a year
23 roughly.

24 MR. WAY: So that's another one we can talk

1 about. Mr. Otten testified, and we'll get to
2 that in a moment, as one of the recipients of
3 that fund.

4 Some of the sampling of the parties that
5 were involved in this discussion as I mentioned
6 Mr. Leslie Otten on behalf of Dixville Capital,
7 Balsams Report Holdings, opined that the Project
8 will benefit local employment by creating
9 approximately 2600 jobs during construction. He
10 testified the Project will assist state of New
11 Hampshire with attracting young workforce to the
12 North Country. As I mentioned, he was a
13 recipient of Forward NH.

14 Mr. Joseph Casey and Mr. Tiler Eaton on
15 behalf of IBEW asserted that the Project will
16 have positive impact on employment in the
17 region. Specifically, Mr. Casey and Mr. Eaton
18 asserted that the IBEW Local Unions 409 and 104
19 entered into the Project Labor Agreement with
20 the Applicant's contractor, PAR Electric. Under
21 the PLA, PAR Electric agreed to use out-of-state
22 workers only if local sources of labor, both
23 unionized and not unionized, are exhausted.

24 Now, according to Mr. Casey IBEW Local

1 Union 490 will be responsible for all inside
2 electric construction and maintenance work,
3 including the work related to the construction
4 of the Franklin converter station. According to
5 Mr. Eaton, Local Union 104 will be responsible
6 for outside electric construction and
7 maintenance work including the hauling equipment
8 and materials with heavy equipment, conducting
9 site preparation work, constructing foundations,
10 and anchors, setting poles and towers,
11 stringing, splicing, sagging and dead ending
12 wires and cables, and installing overhead and
13 underground wires and cables. I think it's
14 important to know what each is going to be
15 doing.

16 Mr. Casey and Mr. Eaton further opined that
17 because the Project will create a high demand
18 for local labor force required for its
19 construction it would allow for expansion of
20 currently existing IBEW Local Unions 490 and 104
21 joint apprenticeship training programs and will
22 allow for the training of hundreds of workers
23 who would like to become electricians.

24 Mr. Eaton also opined that the construction of

1 the Project will have significant positive
2 employment on local employment where it will
3 allow workers to remain in New Hampshire and
4 work for an extended period of time in their
5 native communities.

6 From City of Berlin, City of Franklin,
7 Mr. Paul Grenier on behalf of City of Berlin
8 opined that the Project will have positive
9 impact on local employment if the Applicant is
10 ordered to comply with its commitment to the
11 North Country Jobs Creation Fund. To ensure,
12 however, that resources distributed from this
13 fund benefit the City and local economy, the
14 City requested the Subcommittee to condition the
15 Certificate and order the Applicant to continue
16 to emphasize the distribution of the North
17 Country Jobs Creation Fund monies to business
18 opportunities and initiatives in Coos County,
19 with a majority of the fund being spent
20 specifically in Coos County. I think the
21 Applicant is pushing back on that saying that it
22 needs a broader application.

23 Ms. Elizabeth Dragon on behalf of the City
24 of Franklin, and I should remind everyone that I

1 believe she is now with the City of Keene, also
2 opined that the Project will create new jobs,
3 will have a positive effect on the local economy
4 by attracting new workers in the area. Ms.
5 Dragon asserted these benefits in turn will
6 assist the City with rebuilding the local
7 economy and providing better services to its
8 residents. So definitely some supportive
9 positions there.

10 Counsel for the Public. Counsel for the
11 Public's experts, Dr. Rockler and Mr. Kavet,
12 opine that during construction the Project will
13 create 1050 jobs in New Hampshire, an additional
14 2200 jobs in the other New England states.
15 Rockler and Kavet further opined that if the
16 Forward NH Fund and the Northern Job Creation
17 Fund are maintained and administered by
18 independent economic development professionals
19 following best practices for rural development
20 it is possible to create 150 jobs in New
21 Hampshire per year on average over the 20-year
22 program life which would result in about 15
23 million per year in additional economic output
24 while the programs are operational. Something

1 we probably should talk about.

2 Dr. Rockler and Mr. Kavet further opined,
3 however, that the Project will have a
4 particularly adverse effect on employment and
5 economy in Plymouth. Rockler and Kavet stated
6 that the construction of the Project in Plymouth
7 will entail road closures, including Main
8 Street, loss of parking spaces and loss of
9 business.

10 They estimated the following impact on
11 employment and economy in Plymouth associated
12 with construction of the project. First, 70
13 days of construction, which has road closures
14 and total loss of parking, although I think the
15 extent of road closures is up for debate. A 30
16 percent reduction in business leading to direct
17 income reductions of 1.2 million and the loss of
18 more than 50 direct jobs and more than 80 jobs
19 as a secondary impact.

20 Secondly, 100 days of construction, a 30
21 percent reduction in business leading to direct
22 income reductions of 1.8 million and the loss of
23 80 direct jobs and more than 130 during
24 construction.

1 Secondary effects may amplify these losses
2 causing total one-year local job losses between
3 120 to 250 jobs, and income losses between 4.5
4 to 9.6 million.

5 Grafton County Commissioners. Linda Lauer
6 on behalf of Grafton Commission opined that the
7 project will not have a positive effect on
8 employment in New Hampshire where it will create
9 only temporary jobs and does not guarantee that
10 they will be provided for local residents and
11 administration of the various funds, and it is
12 not guaranteed it will be provided to local
13 residents. This was a common theme among a lot
14 of the Intervenors.

15 Bethlehem Board of Selectmen claimed that
16 the Applicant's portrayal of jobs and
17 sustainable income is not a documented fact nor
18 has a case been made that any positive impacts
19 will result for Bethlehem from this Project.

20 Kate Hartnett on behalf of the town of
21 Deerfield acknowledged that construction of the
22 Project will cause creation of additional jobs
23 in the area. She opined, however, that any such
24 jobs will be temporary and most likely would be

1 filled by out-of-state residents.

2 Bear with me one moment. Got here and I
3 realized that my printer didn't work on all of
4 my pages.

5 Joint Municipal parties. They said the
6 Site Evaluation rules make it clear the only
7 types and number of jobs to be considered when
8 assessing the impacts of employment in the
9 region from construction activities are
10 full-time equivalent local jobs, FTEs, and that
11 information must be presented regarding the
12 number and types of those jobs. They maintain
13 that despite this requirement, most of the focus
14 during trial related to the estimated number of
15 jobs without regards to whether they were
16 full-time equivalent or the types of other types
17 of those jobs.

18 In terms of the estimated number of jobs to
19 be created in New Hampshire during construction,
20 there is no information in the record regarding
21 how many full-time equivalent jobs will be
22 created. Also noteworthy that the estimated
23 total number of jobs are presented as annual
24 totals, and, therefore, a person hired to work

1 during all four years of the proposed
2 construction schedule would be included in the
3 totals for each year.

4 Some of the individual Intervenors. Robert
5 Cote and Bruce Adami, I hope I'm saying the last
6 name correctly, opined that the Project is not
7 the only potential source of employment in the
8 region because locally based suppliers to the
9 removal market can provide significant
10 employment opportunities.

11 We also heard from Thomas and Madelyn
12 Foulkes that argued that the Applicant's experts
13 overstated the Project's impact on employment.

14 SPNHF focused on impacts as well. One of
15 the things they maintained is the party raised
16 the issue, the SPNHF party raised the issue of
17 impacts to tourism that could result in
18 employment losses and maybe we'll be talking
19 about that, but it's also addressed earlier.

20 Further, when the Applicant addressed the
21 concerns of construction impacts to the economy
22 and employment, such as to businesses,
23 Applicants insisted these -- strike that.
24 Strike that last piece.

1 One thing that did come up as well is that
2 the concern that Applicant has delayed outreach
3 to impact to businesses, and the impact to these
4 businesses would, of course, reverberate through
5 the local business community. I think there's
6 been a lot of back and forth about how much
7 outreach there has been to the businesses.

8 I think as we go forward, some of the
9 issues we can talk about is temporary versus
10 permanent, value of those jobs, the credibility
11 of the calculations, gain of jobs versus loss of
12 jobs, some of the other estimates.

13 I think, if I could start it off, for my
14 piece I found Ms. Frayer's modeling process to
15 be credible. I don't think there's a lot of
16 dispute that you're going to have a huge
17 construction project and it's going to have a
18 large impact on employment. And regardless of
19 the fact that it's temporary, as you heard from
20 the IBEW, that's the type of jobs they work
21 with. Construction jobs always have a temporary
22 aspect. So the report -- and one job oftentimes
23 spurs another. So I'm not as concerned about
24 the temporary aspects.

1 The ongoing operation of this Project, the
2 direct ongoing operation I think is minimal. I
3 think everybody agrees with that. There's not
4 going to be a lot of jobs that are created to
5 operate this new Project and Julia Frayer
6 testified to that. Certainly there will be
7 direct jobs that will be created.

8 One question, and I think, Mr. Oldenburg,
9 you addressed this a while back is how will
10 businesses respond. In other words, do
11 businesses respond by adding new employment and
12 creating those direct, indirect jobs to support
13 or do they just sort of suck it up and just
14 power on with what they've got. I think it's
15 somewhere in between.

16 And so back to Commissioner Bailey's
17 discussion of the market, I think this is
18 somewhat similar. There's going be to a
19 benefit. I think we can talk a little about the
20 modeling, and I think there were some questions,
21 particularly raised by Kavet and Rockler in
22 terms of some of the wage rates, higher wage
23 rates that are entered into the modeling, but I
24 think it's pretty clear that there will be a

1 benefit.

2 One thing we might want to talk about, too,
3 is the Forward NH Fund and the Jobs Creation
4 Fund, although in my mind whatever we come up
5 with, and maybe I'll look over at counsel here
6 as well, they're separate entities. They are,
7 they're not part of the project. They're
8 separate business structures. And so we really
9 don't have a lot of, there's limited amount of
10 jurisdiction we have to impact how they do their
11 business. Would you agree with that?

12 MR. IACOPINO: Yes.

13 MR. WAY: So I think, I know when I look at
14 those entities, the one thing that was very
15 clear to me, and I'm sorry if I'm monopolizing
16 the time here, but I'll be just a couple more
17 moments. One thing was very clear for me is
18 those two organizations would really benefit by
19 some rigor, little more transparency, define
20 process of how they're going to be distributing
21 funds, and I think that's true for both of them.

22

23 The Job Creation Fund, I think, was notable
24 to me in that there was no economic development

1 participation or guidance in the local area
2 although as I kind of pointed out maybe in too
3 much of a snarky way they're right across the
4 street. And I understand how things work like
5 that, but I think it would benefit that fund to
6 work with like Coos Economic Development
7 Corporation and maybe this is something where
8 they can work together.

9 Same thing with the Forward NH Fund. I
10 think it would benefit from more rigor and
11 process. As I recall there was a lot of
12 discussion with Mr. Otten up here whether it was
13 a loan or what. If you had the process in
14 place, that wouldn't be a discussion because
15 you'd have it. So and I don't know during this
16 process if we have the ability to offer
17 nonbinding suggestions, and, Chairman, maybe
18 I'll, I don't know if you, from your history if
19 there's nonbinding suggestions or recommendation
20 that we would make we could include them in the
21 certificate? Mr. Iacopino is shaking his head.

22 PRESIDING OFFICER HONIGBERG: I'll defer to
23 Mr. Iacopino on this.

24 MR. IACOPINO: Yes, you can include those

1 types of conditions in your certificate.

2 MR. WAY: That's one thing I would suggest
3 to the group is that we make some sort of
4 statement on that. Let me open it up.

5 PRESIDING OFFICER HONIGBERG: Mr.
6 Oldenburg.

7 MR. OLDENBURG: Thank you, Mr. Chairman.

8 I agree, I think, in your assessment that
9 it's sort of like Commissioner Bailey's
10 explanation of the Capacity Market. If it's a
11 dollar to the positive, it's a good thing. So
12 if it's one job to the positive, it's a good
13 thing. So the induced versus direct, I mean,
14 that whole discussion made sense to me through
15 the whole explanation, and even though I
16 questioned whether or not someone would hire an
17 employee or just do the extra work, a different
18 topic is that's money in the pocket.

19 The other discussion I think we had was,
20 and I didn't see anywhere in the rule that it
21 talks about instate versus out of state. So a
22 lot of the contractors on here are specialty
23 contractors that may, because of their
24 expertise, come from out of state. HDD

1 drilling, some of the other specialty workers
2 that we may not have in New Hampshire so they
3 come from out of state. But they are going to
4 induce those jobs, and they're going to stay
5 somewhere in a hotel. They're going to eat
6 somewhere. They don't have a home to stay in.
7 So there's that aspect of the induced
8 employment, I would think.

9 I guess my only question would be, and I
10 didn't hear anything about it, was I didn't hear
11 a direct number of relations. So if there's an
12 impact to a business that's along the route, and
13 their business goes down, say, 20 percent when
14 the construction is in front of them, is there a
15 loss of employment from that. Do they lay
16 somebody off because they don't need waitstaff
17 or a cook or someone to clean the rooms or
18 something. I don't know so -- and how is that
19 entered into it.

20 MR. WAY: You know, and I think that is a
21 very legitimate discussion to have. We have, on
22 the plus side, we have this number of jobs that
23 are created, but there is a reality and I may be
24 a broken record when I go back to the Plymouth

1 impacts, but those businesses have said that
2 they anticipate that they're going to have some
3 challenges with regards to their business
4 operations that may manifest itself in job
5 losses. Now, Kavet and Rockler, I think they
6 estimated about 50 at one point, and I think
7 that's what I counted, too, when I looked at the
8 estimates is that were provided by Plymouth.
9 You have others in other parts of the state. I
10 know the Polly's Pancake Parlor, which isn't
11 quite on the route, but at least suggests that
12 they may have some impact, and they don't have a
13 huge margin, and they anticipate that they could
14 have some challenges as well. I think that is a
15 reality. You are going to have some.

16 MR. OLDENBURG: And I know the business,
17 you know, through the, I can never remember what
18 it's called, the business reimbursement
19 mitigation program or whatever, the business
20 could be made whole by the Applicant, but that
21 employee who's laid off or doesn't work for a
22 day, a week, a month, I don't know what happens
23 to them. I don't know if it's just tough luck
24 or they go grab a shovel and get hired by the

1 contractor. I'm not sure.

2 MR. WAY: That's a good point, the claims
3 process for businesses. You know, the one thing
4 I would say is however we move forward with
5 that, it's got to be clear, it's got to be easy,
6 and it's got to be something that businesses are
7 willing to take advantage of and apply for. The
8 Applicant has suggested that they're certainly
9 willing to work with the businesses.

10 You know, and the other thing, too, is --
11 I'm going to put on the other hat -- is that
12 there's, there has been a lot of outreach, I
13 think, out there, and sometimes it hasn't been
14 well received, and I think it's easy sometimes
15 to slam the Applicant, but there is a little bit
16 of a two-way street. But that outreach with
17 businesses is going to be ongoing. It's not
18 going to stop. And for the life of the Project.

19 MR. OLDENBURG: But your impression all in
20 all is the positives are going to outweigh the
21 negatives in your thought? There's going to be
22 more jobs created than lost.

23 MR. WAY: I think there will be more jobs
24 created, but in no way does that negate the jobs

1 that will be lost, but I certainly think jobs,
2 at least temporary jobs, will be created. The
3 indirect jobs and induced jobs, that's what
4 modeling gets you. There is no guarantee here.
5 The modeling from REMI seems sound, we can
6 quibble about the back and forth, but I think
7 overall it's seems fairly sound, you know, and
8 the direct jobs, I think, are very predictable.

9 PRESIDING OFFICER HONIGBERG: Mr. Wright?

10 DIR. WRIGHT: Mr. Way, I was just kind of
11 curious when you bring up this ability for
12 businesses to get reimbursed from the company
13 for potential loss of business, do we have a
14 sense as to how long it would take a business to
15 recover those costs from the company? I don't
16 recall if that was discussed at any point.

17 MR. WAY: I think it was. I'd have to go
18 back to the transcript.

19 DIR. WRIGHT: I'm only raising that because
20 I'm just curious because if it's a relatively
21 short turn-around time is there a possibility
22 that if a business knows it's going to recover
23 those costs rather than lay off an employee for,
24 you know, a 12-week period of time when

1 construction is going on, would they be willing
2 to keep that person on. I know there's no way
3 to guarantee that, but I'm just wondering if
4 that's a possibility to cover some of these
5 negatives.

6 MR. WAY: Well, I think so. I think also,
7 too, what scares a business is being able to
8 identify the bench case, the benchmark, and so
9 you started at this and now you're at another
10 level, and how are you going to work that
11 through the claims process. So I think we might
12 want to take a little bit more in-depth look at
13 that, but I think that's certainly something of
14 value.

15 PRESIDING OFFICER HONIGBERG: Ms.
16 Weathersby?

17 MS. WEATHERSBY: Thank you. I think you
18 answered my main question which concerned is
19 there actually going to be a net gain in jobs,
20 but to probe it a little bit because during your
21 summary which was excellent and during the
22 course of these hearings, I heard a lot of ways
23 in which jobs will be created. I heard a lot of
24 ways jobs could be lost. Created by, obviously,

1 the construction of the Project, consumer
2 spending because of the electricity savings, all
3 of these, the economic funds that are being
4 created. Then on the other side things like
5 plant closures, the dissipation of those energy
6 savings, construction impacts through Plymouth,
7 Franconia, those towns along the, particularly
8 along the underground portion.

9 So I didn't know, has anyone taken sort of
10 the best guess of the various categories and
11 kind of added and subtracted and confirmed that
12 there will actually be a benefit over the
13 long-term?

14 MR. WAY: Well, I don't think anybody got
15 together and worked that out. So no. I don't
16 think there's any confirmation of it. I think
17 also, too, to keep in mind, you know, you talk
18 about like plants shutting down. Well, the
19 other benefit, supposedly, the other benefit
20 that would likely come from this is that as
21 manufacturers realize savings from their retail
22 prices or their retail costs, that they then
23 take those savings and they're going to do
24 something with it. And the ideal is that if

1 you're a manufacturer and you're getting lower
2 energy costs that you're then translating into
3 employment.

4 That's not "crazy talk." I mean that's one
5 of the top things that manufacturers say would
6 motivate them to hire more employees. That's
7 one of the top things. So that is something
8 that hopefully is going to be more of a spinoff.
9 I think that's difficult to really get a handle
10 on and Ms. Frayer was upfront about that even
11 though I pressed her on it knowing that there's
12 not a lot of answers.

13 Kavet and Rockler probably did the most of
14 an estimate for what they expect to be the job
15 losses. Job losses would come during the
16 underground construction portion. Keep in mind
17 that there's still the concern that you're going
18 to have losses from, and we're going to get into
19 this, you're going to have losses potentially
20 from tourism, and if there's no impact to
21 tourism, well, there's no losses. If there's an
22 impact to tourism, there are losses. It's one
23 or the other.

24 So, you know, you have the underground

1 portion. At what point do temporary impacts
2 become permanent impacts. For example, when we
3 talk about, well, let's talk about 116. The
4 Gale Motel, the bed and breakfast that's on
5 there. If you're a hotel, if you go to a hotel
6 and there's construction, all right, at one
7 point, and then you go back and there's still
8 construction, do you go back. So there's a
9 potential loss of business that they're worried
10 about.

11 And I think that's real for some.
12 Temporary can become long-term for some
13 businesses. We have to keep that in mind when
14 we're look at some of these hot button places
15 along the underground route. And those are the
16 ones that are most susceptible. You know, when
17 you're looking at Franconia, and you're blocking
18 off, you're blocking off the roadway that could
19 take you to Garnet Hill.

20 Now, indulge me in a personal story right
21 now. One of the places that my family likes to
22 visit, and this is just between us here and not
23 to tell anyone else, I like Acadia National
24 Park, and I like to go there a lot. And this

1 year we went there and they were doing a utility
2 project in the main roadway. And I did go the
3 opposite route, and I did find places that I
4 liked better or different, and I didn't go to
5 that route throughout the whole time.

6 And I think that's one of the concerns that
7 a lot of our tourism establishments are worried
8 about is that when you're forcing different
9 routes in different areas, do you reclaim some
10 of that business back to you. Or have you lost
11 it all together. Somewhere in between. But I
12 think that's a concern.

13 PRESIDING OFFICER HONIGBERG: Ms.
14 Dandeneau?

15 MS. DANDENEAU: I want to add to this
16 discussion in that we're talking about jobs that
17 feel really concrete to me so if somebody gets
18 hired or fired or let go and, you know,
19 full-time equivalent, but maybe something that's
20 a little less concrete to me but I think is
21 something we should consider as part of this
22 discussion is we heard from folks like Rod
23 McAllaster and John and Cindy Amy, I believe,
24 and Bruce Ahern, all of which are farmers and

1 all of which impressed concern about loss of
2 moneys during the construction season related to
3 normal farming stuff like haying. Like you make
4 hay when the sunshine, it's a phrase we all
5 know, but it's also completely accurate. And if
6 Bruce Ahern can't get to his hay fields when the
7 weather is right to harvest and cure his hay and
8 subsequently get it into his barns for storage,
9 that could represent a significant loss of money
10 to him. And John and Cindy Amy, I think, said
11 similar things about their hay fields being
12 quite a ways away from their farm and they were
13 concerned about access to them, and I think we
14 heard from Rod McAllaster more so about delivery
15 of grain or milk pickups, but I believe he also
16 talked about having access to fields that were
17 away from his farm. So even those are not a
18 "job," should we also be considering those
19 situations as part of this conversation.

20 MR. WAY: Well, any time you're talking
21 about job impacts in the negative, you're always
22 talking about the potential for jobs so yes,
23 because if I start losing profits that's going
24 to translate in a few different areas, one of

1 which could be jobs.

2 Now, in Mr. McAllaster's case I know there
3 was a lot of talk about the claims and the
4 potential to make him whole. The only thing I
5 would suggest is buying milk and making him
6 whole that way may not complement his business
7 model with his customers and so they're going to
8 have a challenge because a lot of times as they
9 go through this Project they're go to find that
10 they're dealing with businesses very much
11 one-on-one, they all have very different
12 conditions. I can't imagine, frankly, how
13 they're going to do it, you know, in some areas
14 in Plymouth where they have businesses with a
15 lot of different schedules and a lot of
16 different conditions. That's going to be a
17 challenge.

18 MS. DANDENEAU: Do we have a copy of their
19 claims process? Or the reclamation process?

20 MR. WAY: You do, and I think I have it
21 written down somewhere.

22 MS. DANDENAU: Was it a letter?

23 MR. WAY: It was in Mr. Quinlan's first
24 day, as I recall.

1 MS. DANDENEAU: The reason I'm asking, I
2 guess, is exactly what you just spoke to,
3 Mr. Way, about the variability of the businesses
4 that they might be receiving these claims from
5 and making sure that their process is going to
6 allow for this host of different business types
7 to reclaim funds appropriately. I'm thinking
8 about, again, like Bruce Ahern talked about if
9 he can't get hay into his barns, if he can't
10 harvest his hay and then get his hay into his
11 barns that doesn't have just an impact on his
12 hay but his entire feeding schedule for his
13 herds over the course of a year or more. And
14 that's a very different scenario than somebody
15 who can maybe more concretely say I lost "X"
16 amount of money over the 12-week time period
17 when construction was going by my business.

18 PRESIDING OFFICER HONIGBERG: A number of
19 people are looking for it so let's just stop for
20 a moment and go off the record and let somebody
21 find it.

22 (Discussion off the record)

23 MS. GAGNON: It's Applicant's Exhibit 6,
24 and it's the Attachment M.

1 PRESIDING OFFICER HONIGBERG: Applicant's
2 Exhibit 6, Attachment M. Thank you, Dawn.

3 (Subcommittee reviews document)

4 MR. WAY: Now, as I look at this, and this
5 is my impression that I had before, this is a
6 pretty user friendly form. I think the trick,
7 as I said earlier, is to make sure you have that
8 outreach so that businesses know what the
9 benchmark is and how they're actually going to
10 go through this process, and there was a cover
11 letter I think that was with it as well.

12 Sandie, do you have that cover letter?

13 MS. MERRIGAN: Yes.

14 MR. WAY: I don't know if you can do it
15 side-by-side.

16 PRESIDING OFFICER HONIGBERG: Let's go off
17 the record.

18 (Discussion off the record)

19 PRESIDING OFFICER HONIGBERG: In reviewing
20 this, on its face it appears to be directed at
21 physical damage, and I just don't remember as I
22 sit here, did the company testify that this
23 would be the process for someone who suffered a
24 business loss as well? Does someone remember

1 that?

2 MR. WAY: My understanding it was going to
3 be business loss as well.

4 PRESIDING OFFICER HONIGBERG: Are we doing
5 that because you think you remember that or --

6 MR. WAY: Yes. We do need to check. Day
7 12. What page are you on, Michael?

8 MR. IACOPINO: Page 132.

9 (Subcommittee examining transcript)

10 PRESIDING OFFICER HONIGBERG: So I think
11 that we've confirmed that from testimony on Day
12 12, the Construction Panel, Mr. Bowes and Mr.
13 Johnson, and then also confirmed in the
14 Applicant's post-hearing memo that this is the
15 process as well for business losses.

16 MR. WAY: And once again, I would just
17 stress that you can have the simplest process in
18 the world, but if you don't have the outreach
19 and you're not communicating and not giving some
20 samples, it won't get used.

21 MS. DANDENAU: I have a comment about the
22 outreach, and I don't know if this is a good
23 time to bring it up. Maybe there isn't a good
24 time to bring it up. But at some point along

1 the way, and it was sometime, I believe, in July
2 so I don't remember exactly what we were talking
3 about, but we were given Applicant's Exhibit 164
4 which is labeled as "Businesses Along the
5 Underground Route," and it's a table basically
6 with listed business names and their contact
7 information and the date that they had a letter
8 mailed to them. But the contact information is
9 incorrect. So the addresses are wrong, they
10 don't fit with the business name, and just for
11 one example on the first page, they have the
12 business name Rod and Donna McAllaster, and they
13 have their mailing address as Main Street in
14 Bethlehem, New Hampshire.

15 So I would only point that out because it
16 concerns me that perhaps the outreach hasn't,
17 even if it's been happening, maybe it hasn't
18 been getting to the people that it's been
19 intended for. And I don't know if that's
20 something that's been noticed and remedied but
21 that is a concern.

22 PRESIDING OFFICER HONIGBERG: Well, I think
23 the McAllaster address mistake was flagged on
24 the day that Mr. McAllaster himself testified.

1 I believe he was asked by the Applicant, didn't
2 you get our letter, and then there was a
3 communication, I think, that happened off line,
4 and then someone put on the record that wrong
5 address was used.

6 MS. DANDENEAU: Okay.

7 COMMISSIONER BAILEY: I think they showed
8 him the letter, and he said it wasn't addressed
9 to the right address.

10 MS. DANDENEAU: But this is a 15-page
11 document.

12 COMMISSIONER BAILEY: Do you know of other
13 mistakes in the document?

14 MS. DANDENEAU: So I at the time did a
15 check on several of the pages just googling the
16 business names and some of which I was familiar
17 with in Plymouth that the addresses are
18 incorrect.

19 MS. WEATHERSBY: It's strange, too, because
20 when Mr. McAllaster was here it got sent to him
21 on his street but a different house number so it
22 wasn't even the Bethlehem address so they may or
23 may not be using that table because he was sent
24 something at a different address than what was

1 represented there, but it still wasn't his
2 actual mailing address.

3 Can I go back just a second to this claims
4 process? Because I agree with the Chair that
5 this is very definitely set up for more of a
6 damage incident, you know, time of incident,
7 a.m. or p.m. Be precise, you know, and we will
8 reimburse your insurance deductible.

9 It is not set up for someone who over a
10 course of a 12-week construction period has a
11 ten percent business loss and how they document
12 that. And so if there's going to be claims
13 process, a different process or a more thorough
14 process definitely needs to be developed in my
15 opinion.

16 PRESIDING OFFICER HONIGBERG: I would be
17 willing to bet that if we granted a Certificate
18 and put in a condition or insisted on an
19 improved and beefed-up claims process for
20 business losses that would be a fairly easy
21 thing to develop. But as Mr. Way pointed out,
22 without appropriate outreach and education, it
23 won't get used.

24 MR. OLDENBURG: Can I just add?

1 PRESIDING OFFICER HONIGBERG: Sure. Mr.
2 Oldenburg.

3 MR. OLDENBURG: I don't want to beat a dead
4 horse, but if you go to some of the examples
5 that we gave or we talked about like
6 Mr. McAllaster and his milk, it's not just
7 Mr. McAllaster who loses the milk, and they
8 volunteered to pay for his milk. If he couldn't
9 get his truck through, they were going to buy
10 his milk. But I would tend to think he may have
11 a contract with the person that he's supplying
12 the milk to and they're going to have a contract
13 with a store. So if he doesn't supply the milk,
14 they don't get it bottled. They don't get it on
15 the market so there's a, it's a cascade effect,
16 and I don't know, I don't want to --

17 PRESIDING OFFICER HONIGBERG: Well, we
18 don't know that. We don't know any of those
19 facts. Mr. McAllaster didn't testify to that.
20 We don't have any information about that
21 downstream endpoint for that milk.

22 MR. OLDENBURG: Correct. And I don't know
23 how you would calculate a three-week or a
24 four-week loss. How do you know it's, hey, is

1 it a good year, bad year? I don't know how you
2 even do that.

3 PRESIDING OFFICER HONIGBERG: Commissioner
4 Bailey.

5 COMMISSIONER BAILEY: I haven't weighed in
6 on my impressions on the employment so I would
7 like to do that.

8 I'd like to say that I was very persuaded
9 by Joe Casey and Tiler Eaton about the impacts
10 in jobs for the members of the IBEW who live in
11 New Hampshire and who would have the opportunity
12 during the construction phase to work where they
13 live which is really important to them and very,
14 a very rare opportunity.

15 I think that Mr. Casey testified that there
16 would be an opportunity probably for 104 members
17 to work on the construction, the outside
18 construction, and Mr. Eaton -- no. Sorry.
19 Mr. Casey was inside. Let me verify that with
20 my notes.

21 We probably ought to check the transcript.
22 But Mr. Eaton was talking about, I wrote down,
23 about outside jobs. And, oh, maybe the 104 is
24 the Local 104, the number associated with their

1 union. So he described jobs performed by that,
2 by the Local 104 union and that they are the
3 members that do outside construction work. And
4 Mr. Casey described work, the work of inside
5 electricians and that 95 percent of the Local
6 490, 95 percent of the membership of the Local
7 490 live in New Hampshire. That's about 290
8 members, and they anticipated 145 to 150 local
9 member jobs would work on the Project at some
10 point.

11 So I think that during construction that's
12 significant for that group of New Hampshire
13 residents.

14 That being said, I want to talk a little
15 bit about some of the numbers that were thrown
16 out at us with respect to how many jobs would be
17 actually created, not just for the IBEW members
18 but overall. And in figure 40 that we had
19 pulled up on the screen earlier which is in
20 Applicant's Exhibit 1 Appendix 43 on page 71.
21 That's what I'm looking at. It lists the number
22 of jobs during construction by year, and I
23 think, Mr. Way, you said that the construction,
24 according to the Applicant, construction would

1 generate 2000 -- was it 447 jobs? Or something
2 like that?

3 MR. WAY: Total. I think that's correct.
4 Total.

5 COMMISSIONER BAILEY: Total jobs, right.
6 And I have to wonder if, and I think you raised
7 this point, if some of the union members are
8 working for two years, that's really one job. I
9 think. I mean, maybe, could you explain to me
10 how jobs get counted in Economic Development?

11 MR. WAY: It is my understanding in any one
12 given year. So if I work this year and then I
13 work next year, over the life of the Project
14 that's two jobs.

15 COMMISSIONER BAILEY: Okay. And that's a
16 legitimate way to count it.

17 MR. WAY: That's a legitimate way of
18 counting it. That's how I understand the REMI
19 model would count it.

20 COMMISSIONER BAILEY: Yes. That's how the
21 REMI model would count it. Yes.

22 MR. WAY: You know, one of the issues that
23 we haven't really talked about is it doesn't
24 really parse it out into full-time and

1 part-time, seasonal, I think the number,
2 seasonal may be in the induced jobs, but that's
3 how the modeling works as well is it, as I think
4 Ms. Frayer says, the job's a concept. It's not
5 full-time or part-time. And so you can get both
6 of them blended in there. My suspicion is we're
7 talking, certainly for construction we're
8 talking about full-time.

9 COMMISSIONER BAILEY: When you calculate
10 the unemployment rate or when the State
11 calculates the unemployment rate though, if I
12 have the same job for 20 years, I guess each
13 year it's counted as one job, and that's what
14 they're saying.

15 MR. WAY: That would be my understanding.
16 I'm not that skilled in the unemployment rate
17 calculation, but, yeah, it's not what most
18 people think of. It's not cumulative.

19 DIR. WRIGHT: Chris, is it kind of like a
20 concept of a job year?

21 MR. WAY: Yes.

22 DIR. WRIGHT: It's a job year. I think
23 that's the way I would think of it.

24 COMMISSIONER BAILEY: All right. So I

1 agree with Mr. Oldenburg that the number of jobs
2 during the operation of the Project would seem
3 to be positive and maybe that's the end of the
4 discussion, but I just want to put on the record
5 that I think that the number of jobs that the
6 REMI model predicts are overinflated, and this
7 is why.

8 LEI estimated the savings in New Hampshire
9 originally from the Energy and Capacity Market
10 would be about \$80 million a year, and they put
11 that number of savings into the REMI model and
12 the REMI model said that that would generate
13 \$162 million a year in economic development
14 during the first 11 years of operations so that
15 would grow the state GDP by that much and that
16 1100 jobs per year would be created as a result.
17 After -- and that's, that's the information on
18 the record as it stands today about the number
19 of jobs.

20 But Ms. Frayer updated her testimony on the
21 savings and the capacity and energy market and
22 it came up with \$62 million based on the change
23 in the demand curve, and then I asked her to put
24 it in present value terms, and she put it in

1 present value terms, and it was 42 million, the
2 total savings for the energy and capacity
3 market.

4 So I think if you put \$42 million into the
5 REMI model or even \$62 million, the number of
6 jobs and the impact on the state GDP would be
7 different. And I went back and reviewed the
8 testimony, and Ms. Frayer testified on Day 13 in
9 the morning that 25 percent reduction in
10 wholesale electricity market savings would
11 correspond to a similar size decrease in
12 economic benefits, both in the state GDP and the
13 number of jobs. So if you take 80 million as
14 the input to the REMI model and it gets reduced
15 to 42 million, the impact on the economy is
16 still positive and the number jobs created is
17 still positive, but it's a lot lower now.

18 Now, if you take \$8 million just from the
19 energy market because there may not be any
20 savings in the Capacity Market, that's only one
21 tenth of the \$80 million that was the input into
22 the REMI model.

23 So the jobs during operation, I don't
24 think, without Capacity Market savings, I don't

1 think are going to be very significant at all.

2 MR. WAY: You know, as I look at this
3 Project, I look at the value of the construction
4 jobs. That's where I see a lot of the value.
5 You know, as you talked to Mr. Bowes and Mr.
6 Johnson, they know how many people they need.
7 They know how many people they'll hire. So the
8 rest, I think there's a lot of variables that
9 will create the indirect and induced jobs.
10 There's a lot of variables there. But for me,
11 the value if we're looking at it from a jobs
12 benefit is on the temporary jobs, and like I
13 said, I couldn't say it stronger, is that the
14 value of a temporary job to a construction
15 worker, electrical worker, has a lot of value.
16 So I look at a temporary job on the same par for
17 this type of Project that I might look at for
18 other projects, but that's where I see a lot of
19 the value.

20 COMMISSIONER BAILEY: So what you're saying
21 is the impact on the economy would only be
22 limited to that during the construction period?

23 MR. WAY: No. I'm saying the greatest job
24 creation, most sure job creation will happen

1 during the construction period. The rest of it
2 is modeling. I'm sure that there will be
3 indirect jobs that will occur, but as you said,
4 part of it's going to be dependent on a few
5 other things.

6 COMMISSIONER BAILEY: I'm pretty sure that
7 Ms. Frayer testified that 90 percent of the GDP
8 during the operations phase was based on the
9 wholesale electricity market savings.

10 MR. WAY: That's why that earlier
11 discussion does matter.

12 COMMISSIONER BAILEY: Right. So if the
13 savings have gone from 80 million to 8 million,
14 that's a big different in the number of jobs
15 during operations.

16 MR. WAY: That's why as we were talking
17 about with the markets it isn't enough that you
18 just show a benefit because it's going to spill
19 off into other areas; notably, employment. And
20 that's beyond construction. After construction,
21 it's going to depend on how well you're doing in
22 the market.

23 PRESIDING OFFICER HONIGBERG: Other
24 thoughts on this topic? Other things people

1 want to offer up? Why don't we take a
2 ten-minute break.

3 (Recess taken 2:35 - 2:50 p.m.)

4 PRESIDING OFFICER HONIGBERG: We're going
5 to move to a new topic within the economics
6 subcategory. Tourism. Mr. Way.

7 MR. WAY: Correct. New topic. Once again,
8 I steer you to Site 301.09, orderly development.
9 And where we're charged in (b), looking at the
10 economy of the region including an assessment
11 of, numeral 5, the effect of the proposed
12 facility on tourism and recreation. That's what
13 we're going to do.

14 First, position of the parties. The
15 Applicant asserted that the Project will have no
16 adverse impact on tourism and recreation in the
17 region. In support of this position the
18 Applicant submitted a Prefiled Testimony, both
19 Original and Supplemental, and a report titled
20 Northern Pass Transmission and New Hampshire's
21 Tourism Industry, authored Mr. Mitch Nichols of
22 Nichols Tourism Group.

23 We might want to pull that up. That was
24 Appendix 45 under their Prefiled Testimony, and

1 that might be something that, Dawn, if you get a
2 chance, because I expect we'll go back to it.

3 Mr. Nichols bases his opinions on, one,
4 discussion and dialogue with industry
5 participants on the factors influencing
6 visitation and demand to the state. Secondly,
7 research conducted by Plymouth State University.
8 Visitor surveys and his experience, he
9 concluded, and visitor surveys, and his
10 experience. He concluded that tourism will not
11 be impacted by construction and resulting
12 traffic delays as well.

13 So I see several elements that we're going
14 to have to talk about today. The background
15 research that he utilized, data research, and
16 also his interactions with Plymouth State
17 University. The listening sessions that he
18 conducted. Surveys and case studies. Now, all
19 of that's discussed in his report as well so you
20 might want to look at that.

21 Just for the record, Mr. Nichols defined
22 tourists as someone who travels more than 30 or
23 50 miles or stays overnight. He noted that
24 there's no quantitative research on impacts of

1 power lines on the tourism.

2 It is worth noting that Mr. Nichols was
3 previously hired by the state of New Hampshire
4 on a branding and image related project, and he
5 issued a report back in 2002. Interestingly, he
6 found the feature of greatest importance is the
7 scenery and natural beauty.

8 Now, Mr. Nichols did meet with some
9 industry representatives. He also opined that
10 meeting with representatives from other top
11 tourism destinations would not have made his
12 analysis more complete because he already had a
13 fairly, a very strong understanding of the sort
14 of diversity of perspectives and the rationale
15 behind them.

16 Mr. Nichols also acknowledged that DRED did
17 not take any position on the Project, and by
18 DRED, I mean the Department of Resources and
19 Economic Development at the time.

20 He acknowledged that he did not have direct
21 communications with anyone from the New
22 Hampshire Division of Parks & Recreation because
23 he felt he already understood the concerns from
24 the outdoor recreation segments.

1 Mr. Nichols confirmed that he did not use
2 as a direct resource concerns that were raised
3 by members from groups such as Trout Unlimited,
4 Lakes Region Planning Commission, and Friends of
5 the Pemi, Livermore Falls Group.

6 Mr. Nichols also did not look at surveys
7 conducted by the Lakes Region Planning
8 Commission.

9 Mr. Nichols referenced data from Plymouth
10 State University for his study. He discussed
11 how he arrived at the choice for using PSU. It
12 was because the Office of Tourism recommended it
13 as the best group for detailed and historical
14 visitation data. Mr. Nichols agreed that a
15 summary of the state's tourism industry was
16 based primarily on the research from PSU. He
17 also confirmed, however, that he did not ask PSU
18 if they considered the presence of power lines
19 in their research.

20 After reviewing the data provided by PSU
21 Institute for New Hampshire Studies, Mr. Nichols
22 concluded that the tourism industry supports
23 approximately 10 percent of the jobs in the
24 state of New Hampshire, Merrimack Valley being

1 the largest attraction. Plymouth State
2 University's data, however, did not address the
3 effect of transmission lines on tourism, once
4 again.

5 Mr. Nichols' report included a table and a
6 graph depicting traveler spending, food and
7 beverage. Considering concentration of
8 business, Mr. Nichols found that Merrimack
9 Valley that will be located primarily outside
10 the Project area is the area with the largest
11 percentage of visitors in New Hampshire.

12 Percentage of tourist jobs in the region
13 was not analyzed but instead assumed and focused
14 on a close correlation between the dollar spent
15 and visitation.

16 Mr. Nichols did not analyze the secondary
17 home market or the rental market because he
18 assumed that buyers and renters operate in a
19 similar fashion to that of visitors. Mr.
20 Nichols was not certain how many tourists visit
21 New Hampshire or the area in the vicinity of the
22 Project. He did not know how many of those
23 visitors would actually see the towers.

24 Now, he did acknowledge that he did not

1 study and analyze the impact of construction on
2 the Project, including traffic closures and
3 delay on tourism in general, and on visitors of
4 such places as Pawtuckaway Park, Deerfield Fair,
5 downtown Plymouth and the New Hampshire Marathon
6 specifically.

7 He stated that a key factor of the tourism
8 industry is, quote, "ease of destination
9 access," unquote, primarily through vehicular
10 transport.

11 He also testified that significant
12 impairment to access and longer travel times
13 could possibly impact a decision as to whether
14 or not to visit a particular destination.

15 Mr. Nichols agreed during the hearing that
16 a two-year construction process will play into
17 the overall experience, and if the lodging and
18 restaurants along the underground group go out
19 of business it will affect the region.

20 He admitted that traffic may act as a
21 barrier to decision to visit a particular
22 tourism destination. He opined however that
23 choice of travel destination does not depend
24 solely upon traffic. That it has to be

1 understood in the context of all these other
2 more powerful impactful reasons to visit New
3 Hampshire, and that traffic delays and
4 transmission lines are today a reality for
5 travelers.

6 Although Mr. Nichols acknowledged that he
7 did not analyze the importance of clean air or
8 factor this in his analysis, he stated, however,
9 that in his 20 years' experience clean air has
10 not been expressed as a factor or variable
11 needing to be quantified.

12 In his research of similar written studies,
13 Mr. Nichols testified that he did not find an
14 example of a study which found a correlation
15 that transmission lines directly influence
16 demand of tourism destinations. Therefore,
17 while conducting his analysis, he relied on his
18 experience. During the hearing Mr. Nichols
19 acknowledged that there are studies that have
20 found impact on tourism from transmission lines.
21 He testified that he was not dismissing their
22 conclusions but did not see a foundation to
23 support their premises with clear examples and
24 demonstrated impacts.

1 Let's talk about listening tours.

2 Mr. Nichols conducted listening sessions in
3 several parts of the state in conjunction with
4 the Applicant. Participants for listening tours
5 were selected by the Applicant in concert with
6 the New Hampshire Travel Council. Four
7 hour-and-a-half listening sessions were held in
8 December of 2013. For most industries, there
9 was only one representative at the sessions.
10 Mr. Nichols admitted that nobody from the
11 Appalachian Club or the U.S. Forest Services
12 participated in the listening tour.

13 Now, Mr. Nichols did admit that he had
14 hoped for a larger attendance at the listening
15 sessions. He testified, however, that even if
16 the turnout had been better would not have
17 helped him to identify new issues or concerns.

18 Mr. Nichols admitted that the fact that the
19 sessions were being led by the Applicant could
20 have discouraged participation. He also
21 testified that during listening sessions the
22 participants were asked four or five broad
23 questions and none of the notes documenting the
24 participants' responses were retained by Mr.

1 Nichols. However, Mr. Nichols stated that
2 respondents provided a broad range of concerns
3 including concerns about New Hampshire losing
4 its image as a beautiful state and tourism
5 attraction power.

6 He opined, however, that they did not have
7 a specific foundation or empirical support for
8 such concerns. Even though the respondents were
9 considered to have truly held beliefs, Mr.
10 Nichols stated that he was trying to understand
11 what was the basis of or foundation for these
12 beliefs.

13 Mr. Nichols did not speak directly to any
14 other business owners that potentially will be
15 impacted by the Project and acknowledged that he
16 did not present any information about the
17 Project during the listening sessions, including
18 the fact that the Project will not be a
19 Reliability Project.

20 Mr. Nichols did a review of similar
21 projects as well.

22 So another element was review of a couple
23 transmission line projects within the region,
24 and then comparing the number of businesses and

1 employees before and after the phase, before and
2 after the Project was completed. In this
3 analysis, and I think we're talking about the
4 Phase II Project that he looked at, the actual
5 performance of tourism-related businesses as
6 measured by the number of businesses and
7 employees was considered.

8 As I mentioned, there were two projects,
9 one was the Phase II line in New Hampshire.
10 That was originally built by Northeast Hydro and
11 is now owned by National Grid, and the Maine
12 Power Reliability Program. To evaluate impacts
13 from development of these transmission lines,
14 historic tourism-related employment data was
15 secured from the US Bureau of Labor Statistics,
16 same group in the last discussion that we talked
17 about supplying jobs information.

18 The BLS is an independent national
19 statistical agency that collects, processes,
20 analyzes, and disseminates statistical data to
21 the public, congress, federal agencies, state
22 and local governments, businesses, et cetera.
23 BLS also serves as a statistical resource to the
24 Department of Labor.

1 Mr. Nichols presented that the number of
2 tourism-related establishments in counties where
3 a new New Hampshire Phase II transmission line
4 was developed, Grafton, Merrimack and
5 Hillsborough, grew at an average rate of 4.5
6 percent between 1986 and 1990. This expansion
7 continued at a 2.8 percent rate during 1991
8 through '95 for an overall rate of growth of 3.7
9 percent for the 10-year period. By comparison
10 the six other New Hampshire counties in which no
11 transmission line development occurred actually
12 grew at lower average rates for both time
13 periods.

14 As I recall, I think he didn't include
15 Rockingham in that analysis, but that's
16 something for discussion.

17 Mr. Nichols said that he did not do a
18 definite analysis in Maine on a region by region
19 basis but spent about a day driving, reviewing
20 reports and state publications, looking at
21 spending estimates and studying the Maine areas.
22 Mr. Nichols concluded at the end of the five
23 years' construction that Maine had record
24 visitation with the fastest growing region

1 visitation expanding more than 17 percent in
2 2015. He acknowledged that he did not evaluate
3 their methodologies and did not verify that the
4 office knows how to accurately count and
5 estimate visitation volumes or spending, and he
6 didn't review their backup data.

7 There were other concerns addressed as
8 well, particularly on the value of the studies
9 given that both the Maine program and the Phase
10 II were built entirely within an existing
11 right-of-way as compared to the Project. It was
12 also discussed that Phase II's project structure
13 are lower than the Project's towers and are
14 shielded by the crown of the tree line.

15 He looked at more national projects as
16 well. He did opine that the lack of the impact
17 on tourism in Estes Park which is in Colorado
18 and North Cascades by transmission line is
19 indicative of the fact that transmission lines
20 are part of the fabric of travel today, and
21 other factors influence a decision to visit
22 tourism destinations. He acknowledged, however,
23 that the travel, that the towers and
24 transmission lines are not located in the park

1 but are part of the arrival experience outside
2 the Rocky Mountain National Park. There was
3 quite a bit of discussion on that topic.

4 Electronic surveys. Mr. Nichols did employ
5 electronic surveys, and we can pull that up
6 later if everybody so desires. A web-based
7 survey was conducted in September of 2014 of 465
8 respondents to understand the attitudes and the
9 influences of potential visitors to New
10 Hampshire. He asserted that prospective visitor
11 surveys indicated that attributes of visitors
12 destinations influenced their choice, and the
13 presence of power lines is very low on the
14 overall scale of importance of these variables.

15 As a result, Mr. Nichols opined that while
16 it is conceivable that the presence of power
17 lines may be a factor in travel decisions for a
18 very small number of New Hampshire visitors, on
19 the overall scale of importance the mix of
20 destination attributes that influence visitor's
21 choices of destinations, the positive attributes
22 of a destination far outweigh any speculative
23 adverse effects from transmission lines.

24 He concluded that construction and

1 operation of the Project will not affect
2 regional travel demands and will not have a
3 measurable effect on New Hampshire's tourism
4 industry. Did not recall an instance in his 20
5 years of tourism planning when any concern was
6 raised about the presence of transmission lines
7 and the possible effect on visitor demand.

8 One concern registered, I think, in
9 Committee questions was that only two survey
10 questions referenced power lines, did not
11 reference transmission lines, and did not
12 mention that some of the tower structures will
13 be as tall as 140 feet through scenic areas.
14 The survey did not study whether the presence of
15 the project would influence that decision.

16 Now, Mr. Nichols concluded from the survey
17 that the presence or absence of transmission
18 line does not drive visitors' fundamental
19 decision to choose New Hampshire, and I think we
20 sort of said that above as well.

21 Analysis of potential impact on particular
22 or specific tourist destination, businesses or
23 communities was not conducted. Mr. Nichols
24 asserted that individual businesses could face a

1 difficult reality where the substitution effect
2 could come into play and visitors may choose a
3 different service like a different restaurant,
4 overnight accommodations, retail outfits which
5 we talked about earlier.

6 On a net basis, regionally, however, there
7 will be no change.

8 Some have brought up that other that three
9 sentences, Mr. Nichols' report did not contain
10 analysis or information on a region by region
11 basis. He explained that he took a broad
12 analysis of the collective input from different
13 regions into account when drawing his
14 conclusions. He also acknowledged that while
15 reaching his decisions he did not review other
16 experts' determinations as to the Project's
17 effect on aesthetics and historic sites.

18 Other parties. Businesses and
19 organizations with economic interest, Mr. Otten
20 weighed in on this issue on behalf the Dixville
21 Capital and Balsams Report Holdings. He
22 asserted that since 2015, the general population
23 expressed significant interest in commitment in
24 redevelopment of the Balsams Resort. He

1 asserted that it's not unusual for various
2 energy infrastructure to be within a view of
3 tourist attractions without affecting their
4 appeal to the tourists.

5 Based on his experience, Mr. Otten opined
6 that the Project will not have adverse effect on
7 tourism in the region and on redevelopment
8 operation of the Balsams Resort.

9 Rachel, you're going to kick me if I say
10 his name wrong. Mr. Allen Bouthillier on behalf
11 of the Coos County Business and Employers Group
12 opined that the Project will have a positive
13 impact on tourism where additional trails for
14 snowmobiling and ATV activities will be created
15 within the Project's right-of-way.

16 For the Counsel for the Public, we once
17 again visit Dr. Rockler and Mr. Kavet who opined
18 that the Applicant's assessment of the Project's
19 impact on tourism was not reasonable or
20 credible. Dr. Rockler and Mr. Kavet agreed that
21 it is difficult to quantify potential impacts on
22 tourism. They did state, however, that there is
23 ample evidence that scenic beauty and a pristine
24 wilderness experience is a primary destination

1 attribute affecting tourist visitation in New
2 Hampshire.

3 They further opined that using a midpoint
4 between an estimated three percent and 15
5 percent impact on tourism and a phased and
6 direct tourism spending reduction over time of 9
7 percent scaled to access the tourism dollars in
8 the area within the viewshed, construction and
9 operation of the Project will result in direct
10 spending losses of approximately 10 million per
11 year. They mentioned in current dollars. And
12 total economic impacts including secondary
13 effects of average annual losses of more than 13
14 million gross state product and the loss of
15 approximately 190 jobs over the 11-year period
16 starting in 2020.

17 In addition, Counsel for the Public's
18 witness, Mr. Zysk and Mr. Taylor, asserted that
19 construction of the project will increase noise
20 level and will deter tourism from that aspect.

21 Grafton County Commissioners, Linda Lauer
22 on behalf of the Grafton County Commissioners,
23 opined that the Project will have negative
24 impact on tourism. Specifically, she argues

1 that construction of the Project will cause
2 traffic delays and constraints that will impact
3 desirability of local travel destination. This
4 will significantly disrupt businesses in her
5 opinion, included but not limited to tourism and
6 commuters for two years and also impact scenic
7 qualities in the rural character of the popular
8 tourism destinations.

9 Ms. Laleme on behalf the Bethlehem Board of
10 Selectmen asserted that construction of the
11 Project will have adverse effects on tourism,
12 and, as a result, town of Bethlehem's economy.
13 Ms. Laleme asserted that the Applicant seeks to
14 construct one of the structures associated with
15 the Project at the entrance to the town on Route
16 302.

17 She also argued that the tourism industry
18 report filed by the Applicant was inadequate
19 where it did not specifically address the effect
20 of the Project on tourism of the town of
21 Bethlehem and did not address such tourism
22 activities as hiking, kayaking, walking,
23 trailing, and biking.

24 One of the things she also asserted that

1 the speed limit in the area where Transition
2 Station #5 will be constructed is 40 miles per
3 hour as opposed to 50 miles per hour as alleged
4 by the Applicant. Therefore, she argued that
5 the Project and associated structures will have
6 an adverse effect on tourism in the town of
7 Bethlehem where Transition Station #5 will be
8 observed by the visitors longer than the alleged
9 14 seconds.

10 She also mentioned that there will be some
11 adverse effects on tourism in the area because
12 it will be visible from Baker Pond.

13 Cheryl Jensen opined that construction of
14 the Project along 302 will cause its closure and
15 will have adverse effects on tourism in the
16 town.

17 The Historic Preservation Intervenor Group
18 maintained that the unreasonably adverse
19 aesthetic impacts would persist for the life of
20 the Project, thereby disrupting the tourism
21 economy and the orderly development of the North
22 Country for decades to come.

23 I'm not going to list all of them here
24 because I saw similar themes, and we can get to

1 them, but Society for Protection of New
2 Hampshire Forests had quite a bit to say. As a
3 sampling, they maintain that Applicant's only
4 witness for tourism, Mr. Nichols, did not meet
5 the Applicant's burden. He looked at the state
6 as a whole and did not evaluate whether the
7 proposed Project would impact specific tourism
8 attractions. Maintained that he did not
9 consider traffic when he formed his opinions
10 about the potential impacts would have on
11 tourism. This is especially problematic because
12 the construction season coincides with the
13 tourism season, and they maintain that Mr.
14 Nichols was not aware of the meanings of
15 "historic resource" or "historic site" according
16 to the SEC rules.

17 Mr. Nichols omitted categories of business
18 in his study that are important to New Hampshire
19 economy and employment, including tourism.
20 Specifically, his analysis completely excluded
21 the following types of businesses: travel
22 agencies, fishing, hunting, trapping, theater,
23 racing and amusement parks.

24 Mr. Thompson on behalf of Clarksville-

1 Stewartstown argued that tourism and related
2 local businesses will be adversely affected by
3 the Project because the Project will destroy
4 character of the region by altering the views,
5 aesthetics, quietness and beauty of the region
6 and in general in Coleman State Park, Lake
7 Francis State Park, Connecticut State Forest and
8 Bear Rock sites specifically.

9 Mr. John Petrofsky opined that the Project
10 will have adverse effect on North Country's
11 tourism. Specifically, he asserted that
12 statistics demonstrate that tourism-related
13 activities and related sectors of economy have
14 grown approximately 6 percent annually for the
15 last few years. He further asserted that the
16 North Country Chambers of Commerce survey
17 demonstrated that visitors are attracted to the
18 North Country for the Public because of its
19 scenic view, wilderness and remoteness.

20 He thought that the Project will be visible
21 and will affect aesthetic qualities, diminishing
22 attractiveness of the following: of tourism
23 destinations and scenic roads and byways.

24 Mr. Powell, Peter Powell, on behalf of the

1 Abutting Property Group of Intervenors Dalton to
2 Bethlehem believes that by impacting aesthetics
3 and scenic qualities, believed that by impacting
4 aesthetics and scenic qualities of popular
5 tourist destination the Project will have
6 negative impact on tourism and businesses that
7 demand on it.

8 Deerfield Abutters. Ms. Bradbury asserted
9 the town of Deerfield attracts tourists who
10 enjoy its rural settings and outdoor activities.
11 She opined that the Project will alter the
12 Town's rural character and beautiful views and
13 will destroy its appeal as tourist destination.

14 Finally, we had North Country Scenic Byways
15 Council, Mr. Martland, who opined that the
16 Project will have adverse effect on tourism as
17 well. Asserted that tourism is a major industry
18 in the North Country because of the rural
19 character of the region and the wilderness of
20 its back country and Scenic Byways.

21 He argued that the Project will diminish
22 the views from popular tourist destinations and
23 scenic and other roads making these destinations
24 in the region less attractive to tourists.

1 So that's a lot of information. I
2 apologize. But I think, I don't know if you
3 want to pull that study up. We've got a few
4 things we could talk about.

5 COMMISSIONER BAILEY: Are you talking about
6 the survey?

7 MR. WAY: No.

8 COMMISSIONER BAILEY: Appendix 45?

9 MR. WAY: General report. We have the
10 background research that was done, interactions
11 with Plymouth State University, the listening
12 sessions, surveys, electronic surveys that were
13 done, some of the case studies, and I guess I
14 would throw just general outreach on there as
15 well.

16 That's sort of my, I don't know if anybody
17 wants to weigh in at this point or they want me
18 to start, keep on talking.

19 PRESIDING OFFICER HONIGBERG: Do you have
20 opinions or views you want to share to which we
21 can react or --

22 MR. WAY: Of all that I heard through this
23 process, this testimony just didn't resonate
24 with me. I saw it as flawed, and I saw it

1 flawed in quite a few areas and didn't find
2 Mr. Nichols to be as credible to me as he might.

3 You know, I look at this, when I look at
4 this report, Section 1, introduction, tourism is
5 1 to 3, I think it was, it's okay. It's a
6 general introduction. It gives you a good
7 insight into New Hampshire. Comes from Plymouth
8 State, a lot of it. Plymouth State is well
9 regarded. He's correct there. I think Mark
10 Okrant is still in charge of the tourism group.

11 Where this started falling down for me, I
12 put a lot of stock in listening sessions, and I
13 fully appreciate that they're hard to do. I've
14 done them before, and, you know, you're
15 expecting to get a lot of people and you get
16 like next to nothing and that's hard.

17 But in this case, I did not find that the
18 listening sessions were credible enough to use
19 them, and I think the Committee as much said
20 that the last time. When you have two or three
21 people in the room, that doesn't strike me as a
22 valid listening session.

23 You know, and then I see the lack of
24 interaction, you know, with the state agency,

1 and I appreciate it if the state agency says
2 that they're not taking a position, although
3 part of me wonders why that taking a position
4 and giving information are two different things.
5 Maybe the state agency sent them that way, but I
6 didn't get the sense that there was a lot of
7 interaction there, particularly when we were
8 talking about Parks. I don't think they're even
9 aware of the listening sessions.

10 The electronic survey I didn't think was
11 well-worded. I thought, you're going to get a
12 lot of skewed results. As a matter of fact, I
13 think it even suggested that some people liked
14 the idea of the transmission lines. I'd have to
15 go back to the transcript, but it just had some
16 things that seemed more to be artifacts.

17 The case studies that were offered, Phase
18 II, Maine Reliability, there's a lot of
19 variables there. And it isn't an apples to
20 apples to say well, you know, in this period of
21 time, look, tourism has increased. It doesn't
22 take into account the fact that states are
23 always working to increase their marketing, and
24 we're in a period of time where business was

1 growing, period. So I didn't have a real good
2 feeling there.

3 I didn't get the feeling he knew New
4 Hampshire. I didn't get the feeling he reached
5 out, and the bottom line I think is if someone
6 came to me right now and I, you know, maybe I
7 can be convinced, but if someone said will this
8 have an impact on tourism, you know, I suspect
9 that it's not going to have the impact that a
10 lot of people say it's going to have. I really
11 believe that. I don't think, I think there's a
12 lot of emotion, but that's just my feeling. You
13 know, you need to have something to back that
14 up.

15 For example, I think Mr. Petrofsky, one
16 thing I strongly disagreed with him on is that
17 he was saying that, I think it was second home
18 purchases would suffer throughout the state, and
19 I think the Applicant questioned him on that,
20 you mean just within the area. No. The state.
21 I think because they would look at that, it
22 would be so far influencing that it would affect
23 those sales. I don't agree with that. I don't
24 think so.

1 So I don't think this is going to have the
2 impact that they say or that some would say, but
3 it is going to have an impact for some. I just
4 don't know exactly where. I'm going to leave it
5 there because "convince me."

6 PRESIDING OFFICER HONIGBERG: Commissioner
7 Bailey?

8 COMMISSIONER BAILEY: Thank you. Thank you
9 for saying that. I agree with almost everything
10 you said. I find it interesting because we
11 haven't been able to talk about this, but of all
12 the witnesses, Mr. Nichols was the least
13 credible in my mind. And not credible almost at
14 all.

15 I think you highlighted most of the reasons
16 why I think that. He didn't know New Hampshire.
17 His survey was completely superficial. In fact,
18 I have, I've pulled it up in front of me. It's
19 Joint Muni 227.

20 And the question was asked, this is, you
21 know, the question about the impact on tourism
22 of power lines, and it was, "In addition to
23 specific activities available in a destination,
24 travelers often consider a range of other

1 factors in making their fundamental decision
2 regarding the destination to visit. Again, if
3 you were to consider traveling to various
4 destinations in New Hampshire, how important are
5 the following attributes regarding whether or
6 not to visit these places. Please check one for
7 each destination attribute."

8 And surprise, surprise, nobody checked that
9 they wanted to come to New Hampshire to see
10 power lines. So, you know, I don't know how you
11 can conclude from that question that power lines
12 aren't going to have an impact on tourism.
13 Certainly nobody is going to come to look at
14 them or I don't think.

15 I agree with what you said about I don't
16 think that it will have the impact on tourism
17 that people are most worried about. It's a very
18 emotional topic. But I don't know what the
19 impact will be from this testimony. I really
20 don't know.

21 PRESIDING OFFICER HONIGBERG: Mr. Wright?

22 DIR. WRIGHT: I think I would tend to agree
23 with everything you both have already stated so
24 I'll try not to repeat it, but a couple of

1 things that did really resonate with me, and
2 then that Chris did mention this but was the
3 listening sessions. I just didn't find them to
4 be hardly worth anything. I mean, I understand
5 that you don't want a million people at a
6 listening session, but to have four sessions
7 with 2 or 3 people just, I don't know what that
8 accomplishes in my mind to make a statement that
9 people expect to hit traffic and transmission
10 lines, I don't think that's what people expect
11 when they go to northern New Hampshire. Maybe
12 in Concord they expect to hit traffic, but once
13 they get above Concord, I don't think they
14 expect to hit traffic.

15 One of the other things was Mr. Nichols on
16 a couple times during his testimony tried to
17 compare what was going on in northern New
18 Hampshire with Estes Park, and I view Estes Park
19 pretty much very much different from my opinion.
20 There are certainly power lines visible, but
21 they're when you get to Estes Park. They're not
22 when you're inside the National Forest. You
23 don't see the lines from inside the forest.

24 And I asked Mr. Nichols that directly and

1 he agreed with me that you don't see the lines
2 when you're inside the National Park. So to me
3 to say that that's an equivalent to what we're
4 talking about here did not resonate with me.

5 PRESIDING OFFICER HONIGBERG: Mr. Way?

6 MR. WAY: You know, the other thing, too,
7 is we didn't really get into the impacts of
8 construction as much on tourism for the
9 underground route. And, you know, if I had to
10 say where could the impacts most likely be, you
11 know, I almost think that that's, that is a
12 place where the impacts could be felt.

13 Once again, as I've said, when temporary
14 impacts span over a period of time, that can
15 become permanent impacts. And depending on the
16 type of business that you have, you know, I
17 thought it was sort of dismissed, the wait times
18 that people might have to endure to get to their
19 location.

20 So, for example, I think there was even a
21 suggestion that visitors might wait three hours,
22 you know, might tolerate three hours, you know,
23 to get to their destination. I'm not tolerating
24 three hours, you know, depending upon where I'm

1 going. You know, and I don't think a lot of
2 customers will.

3 So when you're looking at bed and
4 breakfasts, when you're looking at hotels, when
5 you're looking at those that are going to be
6 most impacted by tourist trade that collect room
7 and emails, theater, I think that's where you
8 can see some of the tourism impacts.

9 Don't doubt for a moment that in some
10 areas, though, that it could leave people with a
11 bad taste. Once again, I don't have the
12 information to say one way or the other whether
13 that would cause them to not come back or
14 diminish their experience.

15 PRESIDING OFFICER HONIGBERG: I think on
16 that, on the effects on construction, I think
17 what we have on that is opinions. We have a lot
18 of people with opinions on that, but no one has
19 done any kind of rigorous analysis or attempted
20 to demonstrate for or against what the long-term
21 or even intermediate term effects would be in
22 areas where there's construction. We had a lot
23 of people with opinions and speculation about
24 what would happen, and they may be right, but

1 they also may not be right. But from Mr.
2 Nichols' perspective, my memory is that there's
3 nothing from him on that topic at all to account
4 for the possibility that there will be effects.

5 And I think some of his work, I think, may
6 have been done before some of the segments were
7 proposed for burial so he may have been looking
8 at an older iteration. I may be wrong about
9 that. But I think if planned properly and with
10 the kind of outreach that you were talking about
11 earlier, Mr. Way, construction disruption can be
12 dealt with.

13 Construction is unpleasant to have near
14 you, around you, in front of you but can be
15 dealt with if it's planned and organized. I
16 just don't see from Mr. Nichols or any other
17 source from the Applicant any analysis of what
18 might happen. On the other side, the opposition
19 who don't have the burden of proof, it was
20 opinions, speculation about what would happen.

21 Mr. Oldenburg?

22 MR. OLDENBURG: I guess I have sort of the
23 same opinion on the construction aspect. When
24 you go through a construction zone, if you get

1 hit, you know, if you're going through the
2 underground section and you get delayed, you
3 know, 15 minutes or something like that, and
4 you're up there for leaf peeping, one, are you
5 going to remember that next year if you go up
6 leaf peeping? And two, is it, are you, I would
7 tend to think that I would assume the
8 construction is done. You know. Construction
9 doesn't last forever.

10 So you know, I'm not sure, you know, some
11 of the argument's been made is oh, I went up to
12 this, I went up and I stayed at this hotel and
13 there was construction. I'm never going back
14 there again. And I'm not sold on that theory.
15 You know, because construction ends. And just
16 because you hit it one year, if you remember
17 that you hit it, is that going to stop you from
18 going back again.

19 You know, if you were going up daily and
20 hit it, that may affect you. But I think we're
21 talking about a very transient industry where
22 it's, you know, you hit it one year or one month
23 and you might not hit it again.

24 MR. WAY: If I could. Yeah, I think the

1 absence of empirical data and surveys, I mean, I
2 think there was a little bit of a missed
3 opportunity here. The surveys and listening
4 sessions. Because that could have closed the
5 deal on tourism as far as I'm concerned if they
6 were done in the appropriate manner.

7 I also think, and I think this goes back to
8 some of the other topics that we talked about,
9 you talk to the communities. You find out about
10 the tourism destinations, the routes. I didn't
11 get the sense from Mr. Nichols and even from Ms.
12 Frazier that there was awareness that we're
13 talking about the bike events like on 116 or the
14 hiking trails, the things that were important.
15 I didn't get that sense.

16 And so I think there was some missed
17 opportunities maybe to close this deal but it
18 meant that you had to interact more with
19 community groups, those groups that are charged
20 with tourism-type activities, some of which are
21 in this room. I'll leave it there.

22 PRESIDING OFFICER HONIGBERG: Ms.
23 Weathersby.

24 MS. WEATHERSBY: Sure. I'll chime in. I

1 think that I pretty much agree with everything
2 that's been said. I think a real opportunity
3 was missed to study the impacts of construction
4 of the line on tourism. Everyone knew that that
5 could be a concern, and that was not analyzed.
6 And I think that the analysis that was done
7 concerning impacts of tourism of the Project in
8 New Hampshire were rather weak and for the
9 reasons that have just been mentioned.

10 And I have also just jotted down a couple
11 others. I think that, and maybe you said this,
12 Mr. Way, that when he compared the Phase II line
13 and the Maine Reliability Project and basically
14 said that oh, there hasn't been any impact on
15 those regions because there's still been
16 economic growth, I think that he failed to go
17 deeper than that and explain how has the growth
18 been in the state as a whole, what particular, I
19 think in Maine in particular they had special
20 tourism marketing campaigns to try to bring
21 people to those areas. So you know, let's
22 account for those and see if there really still
23 was no effect.

24 I think that he really missed an

1 opportunity with, he didn't do visitor surveys,
2 polling people who came to New Hampshire, were
3 staying at hotels, visited the rest areas.

4 There weren't those sorts of opportunities. He
5 didn't take advantage of those sorts of
6 opportunities.

7 I too felt like he didn't really fully
8 understand and appreciate New Hampshire and why
9 people come to New Hampshire; particularly, the
10 northern regions. I know he did the survey that
11 showed that 40 percent or thereabouts of people
12 come to New Hampshire to visit family and
13 friends, and I don't doubt that. But then
14 there's a lot of people who come for other
15 reasons. To go all the way up to the north,
16 some of them may be visiting family and friends
17 but most of them are coming for recreation or
18 sightseeing, I would guess, and that sort of
19 wasn't accounted for that the variations in the
20 regions, you know, maybe shopping. Sure, I may
21 go to Merrimack outlets or something or even
22 North Conway, but that's a different sort of
23 tourist than may stay at the Mountain View
24 Grand. So there wasn't sort of that analysis.

1 I also think he missed an opportunity as
2 you mentioned to talk with affected groups,
3 municipalities. The AMC, the Pemi Friends,
4 Trout Unlimited. People who have made comments
5 and been tried to be active in this process.
6 Listening to their concerns, trying to
7 understand them, trying to get a better sense of
8 the area.

9 We talked about snowmobiling, and we had,
10 he was, this is going to be great draw for
11 snowmobilers and it's not going to interfere,
12 but he missed the whole thing about a lot of
13 these areas are going to be gates and bars. So
14 I just felt like it didn't go deep enough.

15 And the questionnaire I think was useless.
16 I think that the questions were confusing. They
17 were poorly worded. The people who were taking
18 it were incentivized to do as many as possible.
19 I just found that not at all helpful. I think
20 I'll stop there.

21 PRESIDING OFFICER HONIGBERG: Mr.
22 Oldenburg?

23 MR. OLDENBURG: One thing I would add is
24 the sample size as well was pretty small. Only

1 400 people. I think one of the comments I had
2 with him is if you went to the rest area in
3 Hooksett on a weekend you'd get more than 400
4 people and asked them why are you here, what are
5 you doing, what your views would be, and it
6 would have been a more representative sample.
7 So I would agree.

8 MR. WAY: I didn't have as much a problem
9 with the sample size. I think as Ms. Weathersby
10 said, it was more the questioning itself. And
11 then I think there's a failure to recognize that
12 as you go deeper in the demographics that make
13 up our tourism industry, it isn't just as simple
14 as saying 40 percent want to do this or 40
15 percent want to do that. We have different
16 levels of marketing that target different age
17 groups. And they all have different motivations
18 and they want to go to different places and they
19 have different incomes, and so it's a complex,
20 it's a complex process where you're really
21 trying to decide what do people want to see and
22 then how do you design your marketing around
23 them, and that's it. A lot of it is marketing.
24 How are you marketing to get those people here.

1 So yes, I think, and the reticence to use
2 the intercept surveys, and I'm not sure if it
3 was Mr. DeWan or Mr. Nichols or both, you know,
4 as you said, Mr. Oldenburg, interviewing people
5 right in their place of usage provides a lot of
6 valuable information. Now, some would say well,
7 I kind of know what they're going to say at that
8 point. But good survey taking and design can
9 tease out pieces that are valuable, that you can
10 work with, and it's hard, and it is a pain, but
11 I think a lot of times you have to do things
12 like that.

13 PRESIDING OFFICER HONIGBERG: Anything else
14 to say on this topic? Let's go off the record.

15 (Discussion off the record)

16 PRESIDING OFFICER HONIGBERG: All right.
17 We are done with this topic. Let's take a
18 five-minute break.

19 (Recess taken at 3:43 - 3:58 p.m.)

20 PRESIDING OFFICER HONIGBERG: We're going
21 to resume talking about the provisions in Site
22 301.15 relative to the finding of undue
23 interference with orderly development of the
24 region. We've talked about most of the

1 subelements there. One we haven't talked about
2 in this context is financial assurances for the
3 proposed decommissioning plan of the facility or
4 the provisions of the financial assurances for
5 the decommissioning. Mr. Way. Can you take
6 this?

7 MR. WAY: I'll give it a shot. Financial
8 assurance for decommissioning. We're looking at
9 301.15 which addresses the provisions of
10 financial assurance for the proposed
11 decommissioning plan for the proposed facility
12 in reference to criteria relative to a finding
13 of undue interference.

14 I should note that decommissioning comes up
15 in a couple different places. You'll see it in
16 301.08(d)(2)(b). You also see it under public
17 health and safety as well. So we're probably
18 killing a couple birds with one stone here. I
19 don't know.

20 So particularly, and I look at
21 301.08(d)(2), the Applicant is required to file
22 with the subcommittee a decommissioning plan
23 that will include, one, a provision of financial
24 assurance in the form of an irrevocable standby

1 letter of credit, performance bond, surety bond,
2 or unconditional payment guarantee executed by a
3 parent company of the facility owner maintaining
4 at all times an investment grade credit rating.

5 On February 26th, 2016, the Applicant did
6 request the subcommittee to waive the NH Code
7 Administrative rules at 301.08(d)(2)(b) I just
8 referenced. The Applicant argued that the rules
9 should be waived because the TSA, Transmission
10 Service Agreement, provides sufficient financial
11 assurances of decommissioning in this docket.

12 The Applicant's request was denied by the
13 order dated June 23rd, 2016. While addressing
14 the Applicant's request to waive, the
15 Subcommittee found that the Transmission Service
16 Agreement offered as an alternative by the
17 Applicant fails to satisfy the requirements of
18 the decommissioning plan, and the Applicant has
19 not demonstrated that the requirement is onerous
20 or inapplicable under the circumstances of the
21 Project.

22 Let's look at the positions of the parties
23 here. First from the Applicant. The Applicant
24 filed a decommissioning plan, an opinion of

1 probable cost, prepared under direction of John
2 Murphy. Mr. Murphy opined that decommissioning
3 of the Project, including the Franklin terminal
4 and associated appurtenances, will cost
5 approximately \$99,935,719.

6 Mr. Murphy further opined that this amount
7 includes the estimated value of salvage
8 materials in the amount of approximately \$3
9 million. Mr. Ausere in his Prefiled Testimony
10 addressed the financial assurances for
11 decommissioning of the Project. Mr. Ausere
12 testified that Section 9.3 of the Transmission
13 Service Agreement addresses the financial
14 assurances for decommissioning of the Project.

15 Let me know if anybody wants to see that
16 TSA.

17 Specifically, he claimed that the Applicant
18 will collect the costs of decommissioning over
19 the last 60 months of commercial operation of
20 the Project. Now, six months before the
21 beginning of the decommissioning payment period,
22 the Applicant will provide a decommissioning
23 plan including an estimate of decommissioning
24 costs and a description of the scope and

1 frequency of progress reports for monitoring
2 decommissioning. That will be provided to the
3 management committee that will be set up in
4 accordance with the TSA.

5 Mr. Ausere further asserted that Hydro
6 Renewable Energy, Inc., will be obligated to pay
7 for decommissioning costs as part of the
8 FERC-approved formula rate. All decommissioning
9 payments made from Hydro Renewable will be
10 deposited into an external fund created on terms
11 and conditions that will be established by the
12 management committee to ensure that fund will be
13 used solely for decommissioning activities.

14 According to Mr. Ausere, if the actual
15 decommissioning costs will exceed the amount in
16 the fund, the Applicant will collect from Hydro
17 Renewable Energy costs on a monthly basis until
18 the decommissioning plan is completed. He
19 testified that the decommissioning costs will be
20 collected even if there's a disagreement as to
21 the amount that should be collected.

22 And then Mr. Ausere argued that the TSA's
23 requirements are superior to a standby letter of
24 credit and surety bond because they are not

1 capped at a fixed amount and do not have a term
2 limit. The Applicant will have to pay more than
3 one million annually to maintain a standby
4 letter of credit or surety bond in the amount
5 required for decommissioning of the Project.

6 Mr. Ausere admitted that the Transmission
7 Service Agreement applied only to the first 40
8 years of operation. He believes that the
9 decommissioning fund will be funded by the end
10 of this term. He also opined that terms of the
11 decommissioning fund will be negotiated with a
12 third party if the Applicant decides not to
13 extend the TSA.

14 He testified that in the case of default by
15 the Applicant, prior to the funding of the
16 decommissioning fund, there will be no funds
17 available for the decommissioning, and no party
18 will legally be obligated to pay for it. I
19 believe what he was saying, that's a
20 possibility.

21 He concluded, however, that it is highly
22 unlikely that it will take place because it can
23 happen only if, one, the inservice date of the
24 Project is delayed to five years because of the

1 Applicant's lack of following good practice; or
2 two, the Project is out of service for longer
3 than five years and that outage is due to the
4 Applicant's failure to follow good utility
5 practice.

6 He asserted that the Applicant will agree
7 to condition the Certificate upon requiring
8 Eversource to guarantee through some form of
9 assurance from Eversource that funds required
10 for the decommissioning are provided in case of
11 the Applicant's default to funding on the
12 decommissioning fund under the TSA.

13 Mr. Ausere further testified that issuing a
14 parental company guarantee by Eversource for
15 decommissioning funds for the Project will
16 constitute an additional unnecessary cost for
17 Eversource.

18 It is noted that Mr. Bowes testified that
19 he was not aware of any other utility projects
20 using the same type of guarantee of
21 decommissioning costs as proposed by the
22 Applicant. He concluded, however, that
23 requiring any forms of financial assurance of
24 decommissioning in addition to the provision of

1 the Transmission Service Agreement would be
2 redundant and unnecessarily increase the Project
3 costs.

4 I have not had the opportunity to summarize
5 all the Intervenors as we just brought this up
6 today as a topic point. How would you like to
7 proceed in that instance?

8 PRESIDING OFFICER HONIGBERG: Commissioner
9 Bailey?

10 COMMISSIONER BAILEY: I also have not
11 reviewed everybody else's position on this
12 topic, but I do have notes of the day that we
13 talked about the Transmission Service Agreement,
14 and it seemed to me that there was a hundred
15 million dollar risk that or that the risk was
16 about, it was worth a hundred million dollars;
17 that maybe if, as you said, NPT terminated early
18 nobody would be responsible for the
19 decommissioning charges, and the Applicant in
20 its brief recommends a condition that I believe
21 if it's worded well enough will satisfy the
22 concern, and that is number 34, where they say
23 "further ordered that the Certificate is
24 conditioned upon NPT's parent entity, Eversource

1 Energy, executing a payment guarantee for
2 Project decommissioning in the amount of a
3 hundred million dollars to apply in the event of
4 a default by NPT subsequent to the commencement
5 of construction under the current Transmission
6 Service Agreement or successor, evidence of
7 which shall be delivered to the SEC
8 Administrator prior to the commencement of
9 construction."

10 I think it was Counsel for the Public's
11 recommendation that we require a hundred million
12 dollar standby letter of credit, and I don't
13 know legally whether the wording in this
14 condition is the same as a standby letter of
15 credit, but I think that we could work with that
16 condition since they've agreed to pledge a
17 hundred million dollars to make sure that it is
18 properly decommissioned if it doesn't get to the
19 end of the 40 years. So I think I can live with
20 that.

21 MR. WAY: That was my impression as well.
22 You know, as I recall from reading of all the
23 briefs, I think other discussions, well, I mean,
24 first off, there was concern about having the

1 guarantees in place in the event that there was
2 default. There was also concerns about having a
3 foreign entity in the mix and recovery in the
4 event of disagreement. I think some of the
5 commitments that we talked about goes a long way
6 to solving that issue. One issue that has come
7 up is, that came up repeatedly is that I think
8 it's six months before the decommissioning is to
9 occur that there has to be agreement on the plan
10 that will be created. So a plan isn't created
11 now. I don't know if you can create a plan now,
12 but a plan is going to be created more at the
13 end of the Project, and then it could be
14 implemented.

15 MS. WEATHERSBY: If I could just weigh in
16 on the financing portion of it all. I think
17 it's important to note that under most
18 circumstances HRE will be required to pay the
19 decommissioning costs and HRE's obligations have
20 been guaranteed by Hydro-Quebec, its parent
21 company, who we talked about the other day is
22 very financially capable to satisfy the terms of
23 that guarantee.

24 But in the unlikely or more remote event

1 that Northern Pass Transmission would be
2 required to pay those costs, I think it is
3 important and I think it's a great gesture that
4 Eversource has agreed to guarantee Northern
5 Pass's obligations for decommissioning.

6 PRESIDING OFFICER HONIGBERG: Anyone else
7 want to add anything on this?

8 MR. WAY: One other thing.

9 PRESIDING OFFICER HONIGBERG: Mr. Way?

10 MR. WAY: I don't know if they did this,
11 but also, too, there's a jobs component to
12 decommissioning, and I don't know if they did
13 that, honestly don't know if they did that,
14 included that in their modeling.

15 PRESIDING OFFICER HONIGBERG: It's 40 years
16 out.

17 MR. WAY: But I'm just saying there's
18 still, I mean, we're looking at benefits over
19 the 40 years. Just saying.

20 PRESIDING OFFICER HONIGBERG: Commissioner
21 Bailey?

22 COMMISSIONER BAILEY: I think that we're
23 going to talk about the decommissioning plan and
24 whether it's adequate under another section, and

1 I, I'm not sure that my memory is the same as
2 yours about there was no plan. I think there
3 was no plan originally, and I can't remember
4 where that was left off. I haven't gotten to my
5 analysis of that part of the record yet.

6 MR. WAY: I think it's six months before
7 the beginning of the decommissioning payment
8 period, the Applicant will provide a
9 decommissioning plan, including an estimate of
10 decommissioning costs and descriptions of the
11 scope and frequency of progress reports for
12 monitoring decommissioning.

13 COMMISSIONER BAILEY: I know, and I think
14 that there was some criticism about that isn't a
15 plan. And so I think we might have made them
16 file a plan. But I might be getting mixed up
17 with a different case.

18 MR. WAY: You're right, though --

19 MR. IACOPINO: There's a decommissioning
20 plan filed.

21 MS. WEATHERSBY: There is a plan filed.
22 That was the one that Mr. Murphy, NGO
23 Environmental, prepared. It's Exhibit 33.
24 Applicant's Exhibit 33. Seems to address

1 different sections of the Project, new
2 structures, components, Franklin terminal, makes
3 various assumptions that may or may not hold
4 true. But there is a plan that's laid out.
5 Whether it's adequate or not, we can talk about
6 probably in the other sections. And then the
7 financing piece kicks in to get the plan six
8 months ahead of time before it's starting to be
9 decommissioned.

10 PRESIDING OFFICER HONIGBERG: I think that
11 Counsel for the Public has suggested some
12 additional layering on the putting forward of
13 the hundred million dollars to have every ten
14 years an updated estimate of costs and
15 confirmation that the money is in place. I
16 mean, I think there's enough information and
17 enough commitments here to work with that on the
18 financial assurances regarding decommissioning.
19 That's my view on this. Others? Seeing
20 nothing.

21 We've pretty much reached the endpoint of
22 what we were planning on doing today. We did it
23 a little bit earlier than I think we expected.

24 Our plan for tomorrow is to start an hour

1 later. We're going to start at ten o'clock
2 tomorrow morning. That will give us a chance to
3 get ahead of the paperwork again and have
4 discussions about some issues we haven't yet
5 touched on, and there are still a lot of issues
6 to discuss.

7 Is there anything, any other business we
8 need to transact right now, Ms. Monroe or Mr.
9 Iacopino?

10 It's page 169 from Counsel for the Public's
11 brief, the condition I was just alluding to.
12 All right. Thank you.

13 With that, we'll adjourn for the afternoon
14 and come back here at 10:00 tomorrow morning.

15 (Hearing recessed at 4:16 p.m.)
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C E R T I F I C A T E

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

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

Dated at West Lebanon, New Hampshire, this 3rd day of February, 2018.

Cynthia Foster, LCR

