

1                                   **STATE OF NEW HAMPSHIRE**

2                                   **SITE EVALUATION COMMITTEE**

3                   **August 2, 2017 - 9:02 a.m.**

**DAY 26**

4                   49 Donovan Street  
5                   Concord, New Hampshire

**Morning Session ONLY**

                                  \* **REDACTED-for PUBLIC USE** \*

6                   {Electronically filed with SEC on 08-10-17}

7  
8                                   **IN RE:    SEC DOCKET NO. 2015-06**  
9    **Joint Application of Northern**  
10   **Pass Transmission, LLC, and**  
11   **Public Service Company of**  
  **New Hampshire d/b/a Eversource**  
  **Energy for a Certificate**  
  **of Site and Facility.**  
  **(Hearing on the merits)**

12                   **PRESENT FOR SUBCOMMITTEE/SITE EVALUATION COMMITTEE:**

13                   **Chrmn. Martin P. Honigberg**   Public Utilities Comm.  
                                  *(Presiding as Presiding Officer)*

14                   **Cmsr. Kathryn M. Bailey**       Public Utilities Comm.  
15                   **Dir. Craig Wright, Designee**   Dept. of Environ. Serv.  
16                   **William Oldenburg, Designee**   Dept. of Transportation  
17                   **Patricia Weathersby**           Public Member  
18                   **Rachel Dandeneau**            Alternate Public Member

19                   **ALSO PRESENT FOR THE SEC:**

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

21                   Pamela G. Monroe, SEC Administrator

22                                    *(No Appearances Taken)*

23  
24                   **COURT REPORTER:   Steven E. Patnaude, LCR No. 052**

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**WITNESS: JAMES CHALMERS**  
**(resumed)**

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[WITNESS: Chalmers]

1                                   **P R O C E E D I N G**

2                                   CHAIRMAN HONIGBERG: Good morning,  
3 everyone. We're on Day 26. Resuming this  
4 morning with Dr. Chalmers. I think we'll  
5 finish Dr. Chalmers this morning.

6                                   First up, Ms. Manzelli, are you ready  
7 to go?

8                                   MS. MANZELLI: I am. Thank you, Mr.  
9 Chair.

10                                  CHAIRMAN HONIGBERG: You may proceed.

11                                  MS. MANZELLI: All right. Good  
12 morning, Dr. Chalmers.

13                                  WITNESS CHALMERS: Good morning.

14                                  MS. MANZELLI: My name is Amy  
15 Manzelli. I represent the Society for the  
16 Protection of New Hampshire Forests, an  
17 intervenor in this case.

18                                  **JAMES CHALMERS, Previously sworn**

19                                  **CROSS-EXAMINATION (resumed)**

20 BY MS. MANZELLI:

21 Q. I want to start -- on the right page of my  
22 outline -- looking at your opinions across a  
23 couple different cases. So, let's first talk  
24 about the high points of what the Merrimack

[WITNESS: Chalmers]

1 Valley Reliability Project was about. You  
2 agree, right, that this was a Joint Application  
3 of New England Power Company, doing business as  
4 National Grid, and Public Service Company of  
5 New Hampshire, doing business as Eversource?

6 A. That's right.

7 Q. And this Application for this project was filed  
8 at this New Hampshire Site Evaluation Committee  
9 in July of 2015?

10 A. That -- I presume that's right.

11 Q. And, essentially, it was for the construction  
12 of a new 345 kV transmission line, from the  
13 substation in Tewksbury, Massachusetts, up to  
14 the Scobie Pond Substation in Londonderry, New  
15 Hampshire. Right?

16 A. That's correct.

17 Q. And it was approximately 24.4 miles long?

18 A. That, I don't recall exactly, but that sounds  
19 about right.

20 Q. Somewhere between 20 and 30, can you be certain  
21 about that?

22 A. I'll accept your recollection or your  
23 definition of the distance.

24 Q. And this project primarily proposed overhead

[WITNESS: Chalmers]

1 lines, except a new section of underground  
2 right outside the Scobie Pond Substation,  
3 right?

4 A. Yes.

5 Q. And this was a "reliability project", right?

6 A. That's correct.

7 Q. And, when I use the term "reliability project",  
8 I mean a project selected by the ISO-New  
9 England to improve the reliability of the  
10 regional electric transmission system. Can we  
11 agree on that definition?

12 A. It's not something I'm really familiar with. I  
13 know it is referred to as a "reliability  
14 project". But, exactly, you know, how ISO-New  
15 England defines that and what its significance  
16 is --

17 Q. Fair enough.

18 A. -- is really outside my area of expertise.

19 Q. But you acknowledge it was a reliability  
20 project?

21 A. Yes.

22 Q. And the tower heights proposed for that case  
23 were between 75 and 90 feet, right?

24 A. That's my general recollection, yes.

[WITNESS: Chalmers]

1 Q. And that project involved no new right-of-way  
2 corridor?

3 A. That's correct.

4 Q. Okay. So, let's look at these, the analogue  
5 details, for the Seacoast Reliability Project,  
6 which is another project you've offered  
7 testimony in, right?

8 A. Correct.

9 Q. So, the Applicants in that case were Public  
10 Service of New Hampshire -- or, the Applicant  
11 was Public Service Company of New Hampshire,  
12 doing business as Eversource Energy, right?

13 A. Yes.

14 Q. And this Application was filed in April of  
15 2016?

16 A. Okay.

17 Q. I'm asking you to confirm that. Does that  
18 sound about correct?

19 A. Yes.

20 Q. And this involved construction of a new 115 kV  
21 electrical transmission line, from Madbury  
22 Substation to Portsmouth Substation, right?

23 A. That's right.

24 Q. And this was about 12.9 miles long?

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[WITNESS: Chalmers]

1 A. That's what I recall.

2 Q. And this project involves both overhead and  
3 underground lines?

4 A. That's right.

5 Q. This also was a reliability project, right?

6 A. Correct.

7 Q. And the most common tower height in this  
8 project was roughly similar as Merrimack  
9 Valley, 84 feet, with a range of 55 feet to  
10 105 feet, correct?

11 A. That sounds reasonable.

12 Q. Now, does it sound reasonable or does it sound  
13 correct, based to the best of your  
14 recollection?

15 A. I can't say, without looking at the plan  
16 sheets. But that's the order of magnitude,  
17 that would be my recollection again.

18 Q. Okay.

19 A. But, if somebody said there was a 110-foot  
20 structure, it wouldn't surprise me.

21 Q. Do you agree that would be the upper limit of  
22 the tower heights in the Seacoast Reliability  
23 Project?

24 A. Again, I don't have a specific recollection of



[WITNESS: Chalmers]

1 the tower heights. They vary quite a bit.  
2 They even vary over time from what I may have  
3 seen previously. But that's -- that's the  
4 range I would associate with the structures  
5 proposed for that project.

6 Q. So, just to confirm, the range you would  
7 associate with the structures proposed for this  
8 project is 55 to 105 feet?

9 A. Yes.

10 Q. And that project also involved no new  
11 right-of-way corridor?

12 A. That's right.

13 Q. Okay. Now, let's look at the Northern Pass  
14 Project, these same types of details. This  
15 Project is another joint application, this time  
16 between Northern Pass Transmission, LLC, and  
17 Public Service Company of New Hampshire, also  
18 d/b/a Eversource Energy, right?

19 A. That's correct.

20 Q. And this Project involves the proposed  
21 construction of a new 1,090-megawatt electric  
22 transmission line?

23 A. That's right.

24 Q. And this Application -- the Application for

[WITNESS: Chalmers]

1 this Project was filed in October of 2015?

2 A. Yes, I don't have a specific recollection of  
3 that date.

4 Q. You recall that your report is dated June 2015?

5 A. Yes.

6 Q. You recall that your testimony is dated from  
7 October -- your original prefiled testimony was  
8 dated from October 2015?

9 A. I do.

10 Q. Do you now recall that the Application was  
11 filed in October of 2015?

12 A. No.

13 Q. Okay. And this Project involves 192 miles of  
14 new line, right?

15 A. Correct.

16 Q. And this Project involves overhead and  
17 underground construction?

18 A. That's right.

19 Q. And this is not a reliability project, correct?

20 A. That's my understanding.

21 Q. And the tower heights in this case would range  
22 from 60 to 165 feet, right?

23 A. That could be. Again, I don't have a specific  
24 recollection of exactly what the ranges of the

[WITNESS: Chalmers]

1 tower heights are. I know there's a wide  
2 variety.

3 Q. Let me ask you to assume, for the rest of this  
4 line of questioning, that the tower heights in  
5 this Project would range from 60 to 165 feet,  
6 okay?

7 A. Yes.

8 Q. And this Project, unlike the other two  
9 projects, involves 32 miles of new  
10 right-of-way, right?

11 A. That's correct.

12 Q. Okay. Do you agree that the Northern Pass  
13 Project is significantly different than either  
14 the Seacoast Reliability Project or the  
15 Merrimack Valley Regional Project --  
16 Reliability Project, excuse me?

17 A. It's different in many respects, yes.

18 Q. Do you agree that it's significantly different?

19 A. I can't -- I don't know what that would mean.  
20 I would simply say that it's different in many  
21 respects. It's longer. It's in a different  
22 part of the state. Has many, many different  
23 characteristics.

24 Q. So, do you agree that the Northern Pass Project

[WITNESS: Chalmers]

1 being up to eight, up to fifteen times longer  
2 than those other two projects is a significant  
3 difference?

4 A. Again, I don't know what the -- I wouldn't  
5 describe it that way. I'd just say it's  
6 longer.

7 Q. Well, you testified earlier that Seacoast  
8 Reliability is 12.9 miles, right?

9 A. Right.

10 Q. And that Northern Pass is 192 miles, right?

11 A. Right.

12 Q. So, isn't that about fifteen times longer?

13 A. Yes.

14 Q. Okay.

15 A. It's a lot longer, right.

16 Q. Significantly longer?

17 A. Again, I just don't -- yes, I mean, I don't  
18 want to be difficult here. Yes, I mean that's  
19 a big difference. It's a lot longer. Okay,  
20 it's significantly longer.

21 Q. And assuming, for the purposes of this  
22 question, that the Northern Pass towers would  
23 be 60 to 165 feet tall, doesn't that mean that  
24 the towers in the Northern Pass Project would

[WITNESS: Chalmers]

1 be up to three times taller than the towers in  
2 the other two projects?

3 A. That generalization would be very misleading.  
4 There are taller towers on the Northern Pass  
5 Project. I guess you could compare average  
6 heights on the projects, and I have no idea  
7 what that would be. But I certainly wouldn't  
8 agree with the statement you just made.

9 Q. Would you agree with the statement that, and  
10 again making the assumption, because you don't  
11 recall, so making the assumption that the  
12 Northern Pass towers would be between 60 and  
13 165 feet tall, with that assumption, would you  
14 agree that some of the towers in the Northern  
15 Pass Project would be up to three times taller  
16 than some of the towers in the other two  
17 projects, Seacoast Reliability and Merrimack  
18 Valley Reliability?

19 A. Under that assumption, that would probably be  
20 true, yes.

21 Q. And would you characterize "up to three times  
22 taller" being a significant difference?

23 A. Again, it's a big difference.

24 CHAIRMAN HONIGBERG: Ms. Manzelli, is

[WITNESS: Chalmers]

1           there a legal significance to the word  
2           "significant"?

3                       MS. MANZELLI: I'm trying to get  
4           there. And I'm done with --

5                       CHAIRMAN HONIGBERG: No, I'm asking  
6           you a legal question. Is it legally  
7           significant that you get the word "significant"  
8           in the record, so that he agrees with you that  
9           it's "significant"?

10                      MS. MANZELLI: Yes.

11                      CHAIRMAN HONIGBERG: What's the  
12           source of that legal --

13                      MS. MANZELLI: My subsequent line of  
14           questioning regarding his testimony in these  
15           three cases.

16                      CHAIRMAN HONIGBERG: What's the  
17           legal -- what's the source of the legal  
18           significance?

19                      MS. MANZELLI: Are you asking me if  
20           there's a legal definition using the word  
21           "significance"?

22                      CHAIRMAN HONIGBERG: Yes.

23                      MS. MANZELLI: Or a standard in the  
24           statute to use the word "significance"?

[WITNESS: Chalmers]

1 CHAIRMAN HONIGBERG: Yes.

2 MS. MANZELLI: No, there is not.

3 CHAIRMAN HONIGBERG: Why are you  
4 battling so hard with him to get him to agree  
5 that a particular difference is "significant"?

6 MS. MANZELLI: Because it's important  
7 for my line of questioning. But I will accept  
8 his testimony that there is a "big difference".  
9 Those are the words that you've used, and  
10 that's what I'll use.

11 WITNESS CHALMERS: There's a big  
12 difference between 140 and 60.

13 MS. MANZELLI: Okay.

14 BY MS. MANZELLI:

15 Q. So, let's now turn to look at the testimony  
16 that you've given in each of these cases.

17 So --

18 MS. MANZELLI: Oh, I'm sorry. Dawn,  
19 could you please -- oh, it is on. Thank you.

20 BY MS. MANZELLI:

21 Q. So, this is your testimony from the Seacoast  
22 Reliability Project -- or, excuse me, from the  
23 Merrimack Valley Reliability Project. And  
24 that's my handwriting there that says "July

[WITNESS: Chalmers]

1           2015". I looked up the date that that was  
2           filed. This document is not actually dated.  
3           So, you agree, you're familiar with this  
4           document? This is your testimony?

5   A.    Yes.

6   Q.    Okay. And this --

7                   MS. MANZELLI: This will be "SPNF  
8           211".

9   BY MS. MANZELLI:

10   Q.   So, let's turn the page. I think the  
11       purpose --

12                   MS. MANZELLI: Oh, let me pause for a  
13       second.

14                   CHAIRMAN HONIGBERG: Let's go off the  
15       record for a second.

16                               *[Brief off-the-record discussion*  
17                               *ensued.]*

18                   MS. MANZELLI: We ready to go back  
19       on? Thank you.

20   BY MS. MANZELLI:

21   Q.   So, let's turn the page and look at the  
22       purposes of your testimony. So, this page is  
23       Bates stamped "SPNF 07150". Can you see this  
24       clearly on your screen, Dr. Chalmers?



[WITNESS: Chalmers]

1 A. I can see it.

2 Q. Okay.

3 MS. MANZELLI: Let's see, Nicole, if  
4 we can zoom in on the highlighted portion  
5 please. A little better?

6 WITNESS CHALMERS: Yes.

7 MS. MANZELLI: Okay.

8 WITNESS CHALMERS: Thank you.

9 BY MS. MANZELLI:

10 Q. All right. So, just read into the record  
11 please the answer to the question "What is the  
12 purpose of your testimony?"

13 A. You want me to read this?

14 Q. Yes, please.

15 A. "The purpose is to provide my professional  
16 opinion with respect to the possible effects of  
17 the New Hampshire portion of the Merrimack  
18 Valley Reliability Project on both property  
19 values and marketing times in local and  
20 regional real estate markets."

21 Q. Now, let's turn to I believe it's Page 10.  
22 It's the next tab, Nicole. And you see the  
23 first highlighted question there which I have,  
24 I can't actually -- here we go. "So, having

[WITNESS: Chalmers]

1 completed the Research Report, do you have an  
2 opinion on the possible effect of HVTL on real  
3 estate markets in New Hampshire?" Do you see  
4 that question there?

5 A. I do.

6 Q. Would you please read your response to that.

7 A. "Yes. Everything I've learned from the  
8 research we've carried out over the past 18  
9 months --

10 CHAIRMAN HONIGBERG: Slow down,  
11 please.

12 WITNESS CHALMERS: I'm sorry. Right.

13 CHAIRMAN HONIGBERG: We're trying to  
14 make a transcript here. And, if you read fast,  
15 it's not likely to be right.

16 WITNESS CHALMERS: Got it.

17 CHAIRMAN HONIGBERG: Let me amend  
18 that.

19 WITNESS CHALMERS: You want to --

20 CHAIRMAN HONIGBERG: It's almost  
21 certainly going to be right, but you're making  
22 Mr. Patnaude's job ten times harder.

23 WITNESS CHALMERS: Well, I would not  
24 want to be responsible for that.

[WITNESS: Chalmers]

1                   Should I start at the top?

2 BY MS. MANZELLI:

3 Q.     Why don't you start with "yes", please.

4 A.     "Yes.  Everything I have learned from the  
5           research we have carried out over the past 18  
6           months as documented in the Research Report is  
7           consistent with the basic conclusions of the  
8           professional literature, namely:  There is no  
9           evidence that HVTL result in consistent  
10          measurable effects on property values, and,  
11          where there are effects, the effects are small  
12          and decrease rapidly with distance."

13 Q.     Thank you.  And you see the subsequent  
14          question, it's the last question I want to look  
15          at you with -- look at with you, "To what do  
16          you attribute the general absence of property  
17          value effects?"  Do you see that question?

18 A.     Yes.

19 Q.     Would you please turn to the next page, or look  
20          at the next page that we'll turn to for you.  
21          And could you read me the last paragraph of  
22          that answer which we've got highlighted here.

23 A.     "My conclusion is that even though the presence  
24          of an HVTL corridor is generally" -- "is

[WITNESS: Chalmers]

1 generally perceived to be a negative attribute  
2 of a property, the weight attached to this  
3 particular attribute compared to all the other  
4 considerations that go into market decisions is  
5 apparently too small to have any consistent  
6 measurable effect on the market value of real  
7 estate."

8 Q. Okay. Thank you. Let's look next at your  
9 prefiled testimony in this case. For the  
10 record, I believe, but I'm not certain, and the  
11 Applicants can correct me, that this is part of  
12 Applicants' Exhibit 1. You recognize this as  
13 your prefiled testimony from October of 2015?

14 A. I do.

15 Q. Okay. Let's turn to the first page. And I'd  
16 like to have you read to me what was the  
17 purpose for which you gave this testimony?

18 A. "To provide my professional opinion with  
19 respect to the possible effects of the Northern  
20 Pass Transmission Project, as proposed by  
21 Northern Pass Transmission, on both property  
22 values and marketing times in local and  
23 regional real estate markets."

24 Q. Now, let's look later in the document, I

[WITNESS: Chalmers]

1 believe it's Page 11. And that's not the Bates  
2 stamp paging, that's the pagination of the  
3 document.

4 MS. MANZELLI: Nicole, can you just  
5 show at the top so they can see it's Page --  
6 and to make sure I'm saying the right page.

7 BY MS. MANZELLI:

8 Q. Oh, excuse me. Page 10 of 15. Now, you see  
9 the question that's highlighted, "Having  
10 completed the Research Report, do you have an  
11 opinion on the possible effect of HVTL on real  
12 estate markets in New Hampshire?" You see  
13 that?

14 A. Yes.

15 Q. Could you please read your response to that  
16 question.

17 A. "Yes. Everything I have learned from the  
18 research we have carried out over the past 18  
19 months as documented in the Research Report is  
20 consistent with the basic conclusions of the  
21 professional literature, namely: There is no  
22 evidence that HVTL result in consistent  
23 measurable effects on property values, and,  
24 where there are effects, the effects are small

[WITNESS: Chalmers]

1 and decrease rapidly with distance."

2 Q. And let's turn to the next page. This is the  
3 last question I wanted to look at with you  
4 here. This is Page 11 out of 15. You see the  
5 question "To what do you attribute the general  
6 absence of property value effects?"

7 A. I do.

8 Q. Could you please read the last paragraph of  
9 your answer, which is highlighted?

10 A. "My conclusion is that even though the presence  
11 of a HVTL corridor is generally perceived to be  
12 a negative attribute of a property, the weight  
13 attached to this particular attribute compared  
14 to all other considerations that go into market  
15 decisions is apparently too small to have any  
16 consistent measurable effect on the market  
17 value of real estate.

18 Q. Now, let's look at your testimony in the  
19 Seacoast Reliability Project. You submitted  
20 that last year, in April of 2016, right? I've  
21 got the cover page here for you, if that will  
22 help you confirm.

23 A. Yes.

24 Q. Okay. And do you recognize this to be your

[WITNESS: Chalmers]

1 prefiled testimony in that case?

2 A. I do.

3 Q. And this is -- for the record, this is "SPNF  
4 210". So, let's look at the purposes for which  
5 you filed this testimony. So, this is Page 1  
6 of 13. And what was the purpose for which you  
7 filed this testimony?

8 A. You want me to read this highlighted --

9 Q. Yes, please, the answer.

10 A. "My purpose is to provide my professional  
11 opinion with respect to the possible effects of  
12 the project on both property values and  
13 marketing times in local and regional real  
14 estate markets."

15 Q. And let's turn to the later portion of your  
16 testimony.

17 MS. MANZELLI: And just show us the  
18 page number please, Nicole.

19 BY MS. MANZELLI:

20 Q. So, this is 10 out of 13. And you see the  
21 question there, "Having completed the Research  
22 Report, do you have an opinion on the possible  
23 effect of HVTL on real estate markets in New  
24 Hampshire?" Could you read your response to

[WITNESS: Chalmers]

1 that.

2 A. "Yes. Everything I have learned from the  
3 research we have carried out over the past 18  
4 months as documented in the Research Report is  
5 consistent with the basic conclusions of the  
6 professional literature, namely: There is no  
7 evidence that HVTL result in consistent  
8 measurable effects on property values, and,  
9 where there are effects, the effects are small  
10 and decrease rapidly with distance."

11 Q. And let's move on to look at the next question.  
12 The next question is: "To what do you  
13 attribute the general absence of property value  
14 effects?" Do you see that there?

15 A. I do.

16 Q. Can you read the last paragraph of your  
17 response, which is also highlighted?

18 A. "My conclusion is that even though the presence  
19 of a HVTL corridor is generally perceived to be  
20 a negative attribute of a property, the weight  
21 attached to this particular attribute compared  
22 to all the other considerations that go into  
23 market decisions is apparently too small to  
24 have any consistent measurable effect on the



[WITNESS: Chalmers]

1 market value of real estate."

2 Q. So, we talked earlier about the attributes of  
3 these three projects: Northern Pass, Seacoast  
4 Reliability, and Merrimack Valley Reliability.  
5 And you testified that there were -- there is a  
6 "big difference" between Seacoast Reliability  
7 and Merrimack Valley Reliability and the  
8 Northern Pass. Yet, your testimony that we've  
9 looked at now, it's 100 percent identical as  
10 between these three projects, correct?

11 A. That's correct.

12 Q. In fact, if you cross-reference, which I'd like  
13 to avoid the time of doing, but if you want us  
14 to, we will, if you cross-reference your most  
15 recent testimony, which is the Seacoast  
16 Reliability Project testimony from April of  
17 2016, with your original Northern Pass  
18 testimony from October 2015, isn't it the case  
19 that a substantial amount of that testimony is  
20 very similar, and that some of it, more than  
21 what we've looked at here, is 100 percent  
22 identical?

23 A. Yes. It's based on exactly the same Research  
24 Report, and the conclusions are exactly the

[WITNESS: Chalmers]

1 same.

2 Q. So, it has nothing to do --

3 A. It would be quite disturbing if that weren't  
4 the case. Because there is only one Research  
5 Report, there's only one set of research in New  
6 Hampshire. And there's only, you know,  
7 happily, there's only been one set of  
8 conclusions.

9 Q. So, your analysis in this case, the Northern  
10 Pass case, and, from what it sounds like, in  
11 these other two cases for that matter, has  
12 nothing to do with the particular attributes of  
13 the project?

14 A. That's totally false.

15 Q. Well, how can you be reaching the same  
16 conclusion, with the same report, if the  
17 projects are different?

18 A. Because I'm summarizing the conclusions of the  
19 report. My conclusions with respect to the  
20 projects, you know, ultimately, with respect to  
21 effects on regional and -- to local and  
22 regional real estate markets are the same, but  
23 my specific conclusions with respect to the  
24 projects are quite different. They have very

[WITNESS: Chalmers]

1 different characteristics, different numbers of  
2 properties involved, and different  
3 characteristics of visibility and whatever.  
4 You know, they're quite different.

5 The ultimate conclusion, with respect to  
6 local and regional real estate markets, is  
7 simply that there will not be a discernable  
8 effect, okay? That's kind of the bottom  
9 line one-liner.

10 The other paragraph you've had me reading  
11 is simply the conclusions with respect to the  
12 research, and the conclusions with respect to  
13 the research are essentially generic, and were  
14 designed to be generic so they could be applied  
15 to these different projects.

16 Q. And, even though you're saying your conclusion  
17 is "generic", it is your conclusion, with  
18 respect to this particular project, right?

19 A. Well, we're talking about two different  
20 conclusions. I read two paragraphs. If you  
21 wanted to go back and put up the first  
22 paragraph, the first paragraph that you had me  
23 read in each one, was --

24 Q. Not the "purposes" one? Excuse me, not the

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1 "purposes" one --

2 A. No. And the purpose in all three --

3 Q. Yes.

4 A. -- is determined by, I presume, New Hampshire  
5 statutes, to understand market value effects.  
6 But this first paragraph you had me read was  
7 explicitly a reference to the "Research  
8 Report". And said "Based on, essentially, the  
9 literature you've reviewed, and based on the  
10 research you've done in New Hampshire, what are  
11 your conclusions?" And that -- that has  
12 nothing to do with Seacoast, nothing to do with  
13 Northern Pass, nothing to do with Merrimack  
14 valley. That's based on the literature that  
15 I've reviewed and on the research I've carried  
16 out in New Hampshire.

17 Q. So, just to confirm here, this term "Research  
18 Report" is capitalized in this question. So,  
19 does this mean the report that went along with  
20 your testimony, it's, I don't know, something  
21 like 1,100 pages long?

22 A. Yes.

23 Q. Okay. So, to confirm then, your Research  
24 Report, that supports your opinion in this

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1 case, had nothing to do with the particular  
2 attributes of the Northern Pass Project?

3 A. Correct.

4 Q. All right. I want to talk about licensure, as  
5 in being licensed as a New Hampshire appraiser.  
6 Do you agree that you have used your former  
7 licensure to give the impression to this  
8 Subcommittee, and to others involved in this  
9 case, that you are a New Hampshire licensed  
10 appraiser?

11 A. That I was a licensed appraiser. At the time I  
12 submitted that CV, I was a licensed appraiser,  
13 and I so noted it on my CV. I certainly  
14 haven't done anything subsequently to create  
15 the impression that I was. I haven't said that  
16 I was.

17 Q. But you haven't said that you weren't, until  
18 yesterday?

19 A. Correct.

20 Q. Okay. So, from the time your licensure expired  
21 on -- excuse me, I think it was January 1st,  
22 2016, through to yesterday's testimony, have  
23 you taken any overt step to notify anyone  
24 involved in this case, or the Subcommittee,

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1 that you are no longer a licensed appraiser?

2 A. No one, I haven't done anything publicly  
3 beyond -- I suspect I would have mentioned it  
4 to perhaps Mr. Bellis or Mr. Bisbee.

5 Q. Yes.

6 A. But only in passing.

7 Q. Uh-huh. And you're saying that, I, like  
8 Attorney Pacik, am not great with math, but  
9 that intervening time, however many months that  
10 is, between January 2016 through to yesterday,  
11 are you saying that your not notifying the  
12 Subcommittee of the change of your licensure  
13 status was not using your licensure to give a  
14 false impression? I know -- I'm trying to ask  
15 it without the double negative.

16 MR. WALKER: First of all, I'm going  
17 to object to the vagueness of that question.  
18 But, also, we're covering an issue that was  
19 covered yesterday.

20 CHAIRMAN HONIGBERG: Ms. Manzelli.

21 MS. MANZELLI: Just a moment.

22 *[Short pause.]*

23 MS. MANZELLI: Thank you, Mr. Chair.

24 Under RSA 310-B:3, there is a blanket

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1 prohibition on assuming or using, I'm  
2 paraphrasing here, the title, designation, or  
3 abbreviation of New Hampshire appraiser to  
4 create the impression of certification or  
5 licensure as a real estate appraiser by this  
6 state.

7 CHAIRMAN HONIGBERG: And where in  
8 that section does it talk about covering topics  
9 that were covered yesterday at length?

10 MS. MANZELLI: This statute, as far  
11 as I know, I was here and I was trying to  
12 listen, was not referenced in any way.

13 CHAIRMAN HONIGBERG: Okay. Are you  
14 going to ask a question about that statute?

15 MS. MANZELLI: I'm trying to ask  
16 questions by asking him if he feels like he has  
17 assumed or used his designation to give the  
18 impression of being licensed, when, in fact, he  
19 wasn't licensed?

20 MR. WALKER: Same objection. Asked  
21 and answered yesterday.

22 CHAIRMAN HONIGBERG: It's possible  
23 that there's a question in there that wasn't  
24 asked and answered yesterday. Although the

[WITNESS: Chalmers]

1 line that you were on wasn't going to get you  
2 there because of the way you were asking it.  
3 You were asking him if he was misrepresenting  
4 something to the Committee, which I'm fairly  
5 certain he wasn't going to agree with under any  
6 circumstance.

7 MS. MANZELLI: Uh-huh.

8 CHAIRMAN HONIGBERG: But, if you want  
9 to ask a series of questions that might prove  
10 what you want to prove under that statute, I'll  
11 bet you can do it.

12 MS. MANZELLI: Understood. Let's get  
13 the statute on the screen please.

14 BY MS. MANZELLI:

15 Q. So, I haven't marked this as an exhibit, Dr.  
16 Chalmers. But let me represent to you that  
17 this is a true and accurate copy of a New  
18 Hampshire law, which we would describe as "RSA  
19 310-B:3". And it has to do with the state  
20 license or certified real estate appraisers.

21 So, I know I'm just kind of throwing this  
22 document at you. So, let me give you a moment  
23 to review it.

24 A. I get the gist of it.



[WITNESS: Chalmers]

1 Q. Okay. So, you agree -- or, you see Section  
2 number -- is it Roman? I, that "No person,  
3 other than a certified or licensed real estate  
4 appraiser, shall assume or use that title or  
5 any title, designation or abbreviation likely  
6 to create the impression of certification or  
7 licensure as a real estate appraiser by this  
8 state."

9 So, let's start with some of the basics  
10 here. You agree that, after January 31st,  
11 2016, you were not a New Hampshire licensed  
12 appraiser? I think that's objectionable, asked  
13 and answered, but I just want to confirm for  
14 this conversation.

15 A. Correct.

16 Q. Okay. And do you agree that, subsequent to  
17 your license lapsing on January 31st, 2016, you  
18 took no steps to notify the Subcommittee, or  
19 anyone involved in this case, except maybe  
20 talking with Mr. Bellis or Mr. Bisbee, about  
21 the fact that your license had lapsed?

22 A. That is correct.

23 Q. And you agree that your resumé you submitted in  
24 October of 2010 [2015?] listed you as a New

[WITNESS: Chalmers]

1 Hampshire licensed appraiser, gave your  
2 licensure number?

3 A. (Witness nodding in the affirmative). Correct.

4 Q. I'm sorry. For the record, we need you to  
5 speak out loud. Thank you. And you agree  
6 that, when you submitted your supplemental  
7 prefiled testimony, you first reaffirmed that  
8 everything you had submitted -- you reaffirmed  
9 everything you had submitted previously,  
10 correct?

11 A. With exceptions.

12 Q. None of those exceptions had anything to do  
13 with your licensure, correct?

14 A. That's correct.

15 Q. And, also, in your supplemental prefiled  
16 testimony, you did not provide an updated  
17 resumé that listed, you know, that would have  
18 made have a correction by not listing your New  
19 Hampshire licensure, or maybe would have listed  
20 it, but said "lapsed"? There was no such  
21 correction to your resumé, correct?

22 A. There was no resumé.

23 Q. Okay. So, do you agree then that, from after  
24 January 31st, 2016 through to yesterday, you

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1 created an impression that you were a New  
2 Hampshire licensed appraiser?

3 A. I didn't, you know, perhaps someone could have  
4 come to that conclusion. I certainly didn't  
5 intend to create that impression. That could  
6 have been a result of the series of events that  
7 you just described.

8 Q. And you agree that, if someone came to that  
9 understanding, that would have been a  
10 reasonable understanding, given what we've just  
11 outlined?

12 A. I don't think so. I mean, I think they would  
13 see the CV attached to the 2015, and assume  
14 that was accurate as of 2015. Supplemental  
15 testimony didn't have a CV attached to it. And  
16 I think, if they wanted to draw inferences  
17 about that, they would have had to have a  
18 current CV as of 2017, and there was none. So,  
19 I think, if they had been interested, they  
20 would have had to have inquired. I don't -- if  
21 I see a 2015 CV, and I'm curious about  
22 conditions in 2017, I would note that it's two  
23 years old and it may be out-of-date.

24 Q. Do we need to question whether every other

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1 entry on your resumé is accurate?

2 A. It's all accurate as of 2015.

3 Q. Is it all accurate as of today?

4 A. Of course not.

5 Q. I want to talk about your updated analysis, Dr.  
6 Chalmers. You said yesterday that you were  
7 planning to correct the many errors that have  
8 been identified in your analysis, right?

9 A. There are some issues identified by Ms. Menard  
10 that will be corrected, yes.

11 Q. And what did you mean by that? Are you  
12 planning to update your prefiled testimony?  
13 Are you planning to update your report? Can  
14 you just explain to me what you mean when you  
15 say they "will be corrected"?

16 A. Yes. It won't affect my testimony, and it  
17 won't affect the conclusions from the Research  
18 Report. But there are tables, there are  
19 entries in the Research Report which are  
20 presently incorrect. And I don't know exactly  
21 what the procedure will be with respect to the  
22 Research Report. But, certainly, if it's  
23 reissued, those will be corrected. My version,  
24 the master version, will have those corrections

[WITNESS: Chalmers]

1 in red-line. And, if it's reprinted, the  
2 reprinted version will show those corrections.

3 Q. Okay. So, I think you've answered a question  
4 that I was -- or, part of my question, which  
5 is, when you say "corrections", you're talking  
6 about to your report, not to your prefiled  
7 testimony, original or supplemental, correct?

8 A. Correct.

9 Q. I'm sorry, we talked at the same time. Is that  
10 correct?

11 A. Yes.

12 Q. Thank you. And do you agree that others, in  
13 addition to Ms. Menard, have pointed out errors  
14 that you have acknowledged?

15 A. You'd have to be specific. There were -- yes,  
16 those are the --

17 Q. I can give you an example, Dr. Chalmers.

18 A. Okay.

19 Q. So, for example, I recall yesterday there was a  
20 house that was categorized either as a  
21 single-story house or a one and a half-story  
22 house, but, in fact, it was a two-story house.

23 A. Correct.

24 Q. Okay.

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1 A. That's a good example.

2 Q. And I'm not sure whether you would characterize  
3 these as an "error" or not, let me try the word  
4 "omission". There was some new construction  
5 that your report didn't pick up?

6 A. Right. There, obviously, were time limits when  
7 certain information was collected, and those --  
8 that new construction was outside that time  
9 limit. I would not anticipate extending the  
10 analysis on a, you know, up-to-the-minute  
11 basis, the analysis. The time frame will  
12 remain as it was, I would think.

13 Q. So, let me just confirm then. Do I understand  
14 correctly that, if you made corrections to your  
15 report, for all of the errors and omissions  
16 that have been identified in the  
17 cross-examination to date, that would not  
18 change your conclusion at all?

19 A. That's right. The conclusions of the  
20 individual case studies, of which there were  
21 two, and the conclusions of the two subdivision  
22 studies that Ms. Menard addressed, wouldn't  
23 change in light of those corrections. And my  
24 overall conclusions in the Research Report

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1 wouldn't change, and it wouldn't in any way  
2 affect the conclusions that I rendered in my  
3 testimony.

4 Q. Do I understand correctly, from statements you  
5 made a few statements ago, that you don't have  
6 a plan? I was going to ask you when you're  
7 going to make these corrections. But do I  
8 understand correctly that you don't know, there  
9 is no set plan?

10 A. Exactly.

11 Q. All right. I want to talk with you about the  
12 case studies. And just to -- I know these are  
13 asked and answered, but just to recap. Correct  
14 me if I'm wrong, you looked at three areas,  
15 Littleton to Pelham, Dummer to Deerfield, and  
16 then a handful of sales in some short lines in  
17 the Seacoast area. Is that correct?

18 A. That's right.

19 Q. Okay. And it's your opinion that, generally  
20 speaking, there are not adverse impacts to  
21 property values as the result of high voltage  
22 transmission lines, correct, as a general  
23 matter?

24 A. No. I wouldn't say that.

[WITNESS: Chalmers]

1 Q. Okay. What is your general opinion with  
2 respect to property impacts?

3 A. Well, I don't think a general opinion -- as it  
4 relates to discernible effects in local and  
5 regional real estate markets, there's a  
6 generalization there that I've made. But, with  
7 respect to the Case Study research, there's a  
8 very specific conclusion.

9 Q. Tell me what that is.

10 A. That we don't find effects with properties that  
11 are beyond 100 feet of the right-of-way, in  
12 general. But that properties that are within  
13 100 feet, that have clear visibility of the  
14 structures, and that are encumbered, in about  
15 half of the cases that we looked at we do find  
16 effects.

17 Q. And is it also your opinion, and, again, thank  
18 you for correcting me, correct me again if I'm  
19 wrong, that these effects that you find, in  
20 your opinion, they are small?

21 A. Yes. They vary. But, given the extent to  
22 which some of these properties are impacted, I  
23 think, in relative terms, I'd characterize them  
24 as "small", yes.



[WITNESS: Chalmers]

1 Q. And, in your opinion, that these effects go  
2 away in four years? I think I've heard you use  
3 the word "decay" or "decrease"?

4 A. I don't believe there's any conclusion with  
5 respect to duration in the Research Report.

6 Q. It's not your opinion that effects diminish  
7 after four years?

8 A. No. I mean, not as a -- certainly, not as a  
9 generalization. There is a -- and we do not  
10 address that issue specifically anywhere in our  
11 research here. There is some literature to  
12 that effect, and that may be where you're  
13 picking that up. There's a California study,  
14 which is the best example of a -- of research  
15 out there dealing with duration that comes to  
16 that conclusion. And that may be where the  
17 "four year" number comes from.

18 Q. Thank you, Dr. Chalmers. I have a note that I  
19 got this information from your report, which I  
20 do not have before me, but is being couriered  
21 to me any minute. So, I'm going to come back  
22 to this.

23 Let me move on. I have some questions  
24 about your work process and your work

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1 resources. In response to questions from  
2 Attorney Pappas, and some other questions,  
3 about whether you considered undertaking  
4 certain efforts, for example, studying the  
5 condominium market or other multi-family  
6 markets, you've responded at least a couple  
7 different times to the effect that "doing so  
8 would be a lot of work". So, I had a couple  
9 questions about that.

10 *(The following pages have been*  
11 ***redacted** from this transcript as*  
12 *they contain **CONFIDENTIAL** and*  
13 ***PROPRIETARY** information, and is*  
14 *provided under separate cover so*  
15 *designated.)*

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[WITNESS: Chalmers]

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MR. WALKER: Objection. Mr. Chairman, I think Ms. Manzelli is asking questions about information that's confidential. And, if we're going into this line, we need to clear the room.

MS. MANZELLI: I apologize. I am, and I did not -- I did that inadvertently. I

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1 can hold this line of questioning.

2 CHAIRMAN HONIGBERG: Okay.

3 MS. MANZELLI: I am sorry about that.

4 BY MS. MANZELLI:

5 Q. All right. So, let's go back. Let me take a  
6 peek at your report here, excuse me.

7 MR. WALKER: In fact, Mr. Chairman, I  
8 believe we're going to have to move to strike  
9 the record of the portions that were discussed  
10 that were actually confidential.

11 MS. MANZELLI: Yes. No objection.

12 CHAIRMAN HONIGBERG: And Ms. Manzelli  
13 agrees with that?

14 MS. MANZELLI: Yes.

15 MR. WALKER: Thank you.

16 MS. MANZELLI: I don't want to hold  
17 up the proceeding, but I can't find his  
18 reference to "four years".

19 BY MS. MANZELLI:

20 Q. So, I think what I'm going to do, Dr. Chalmers,  
21 is --

22 CHAIRMAN HONIGBERG: Try Page 10.

23 MS. MANZELLI: Of what document? His  
24 report.

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1 CHAIRMAN HONIGBERG: Applicant 23758,  
2 and maybe the previous page.

3 MS. MANZELLI: Thank you. I was  
4 looking at Appendix Page 10 and not finding it.

5 Thank you for the reference here. We  
6 are looking at Page 10 of Dr. Chalmers' report,  
7 which is, again, part of Applicants' Exhibit 1,  
8 I believe.

9 BY MS. MANZELLI:

10 Q. Do you have your report before you?

11 A. You're talking about the Research Report,  
12 correct?

13 Q. Yes.

14 A. Yes, I do.

15 Q. Okay. And, on Page 10, do you see the  
16 paragraph that begins "The second" -- "The  
17 second study relevant to this question"?

18 A. Right. That's exactly the study I was  
19 referring to, that I just spoke to, that this  
20 Ignelzi and Priestley study found this effect.  
21 But you were saying that I found it or that  
22 somehow I subscribed to that. You know, it's  
23 definitely -- this is the study that  
24 addresses -- this is really the only study that

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1 addresses that "duration" issue. And, again,  
2 this is a subdivision study in California.  
3 But, you know, this is some evidence to the  
4 effect that -- that the effects attenuate over  
5 time.

6 Q. So, just to put a fine point on this, you  
7 disagree that effects go away over four years,  
8 but you do opine -- no. Okay. Correct me.

9 A. Yes. No, I don't disagree that they go away  
10 over time, I simply don't have evidence on that  
11 point in New Hampshire. I have not researched  
12 that. And I would say that, nationwide,  
13 there's certainly no consensus on that.

14 Now, there's some evidence from a  
15 California study that suggests that. And, you  
16 know, you should be aware of that. I'm aware  
17 of it. It has some plausibility associated  
18 with it. But I certainly wouldn't render an  
19 opinion on that. I have no evidence on it in  
20 New Hampshire.

21 Q. Do you --

22 A. Or elsewhere, frankly, other than this article.

23 Q. Do you have any evidence or opinion that  
24 property effects go away over some period of

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1 time?

2 A. No.

3 Q. So, you don't have an opinion either way as to  
4 whether the effects of property values persist  
5 in perpetuity or go away over some period of  
6 time?

7 A. That's correct.

8 Q. And, so, for these three areas that we talked  
9 about that you studied, Littleton to Pelham,  
10 Dummer to Deerfield, the Seacoast area lines,  
11 you didn't obtain or generate any property  
12 value data associated with those properties  
13 before the Phase II line went in, right?

14 A. Correct.

15 Q. So, just using layman's terms, your study of  
16 these properties was not a before-and-after  
17 study, is that correct?

18 A. Correct.

19 Q. And the data that you looked at, fair to say,  
20 was from decades after the Phase II line was  
21 requested before this body and was -- and  
22 constructed?

23 A. Yes. I don't know the dates on all the lines  
24 in all the corridors, but the whole point was

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1 to do the study with the lines in place, you  
2 know, after lines were in place. And, in many  
3 cases, those lines have been in place for a  
4 good deal of time, yes.

5 Q. More than twenties years?

6 A. Phase II line, yes. Uh-huh.

7 Q. And, so, you would find no fault with your  
8 Research Report, given the fact that the sales  
9 data you were looking at occurred more than 20  
10 years after the line went in?

11 A. I think it's important to understand that.  
12 But -- and that's the condition that existed in  
13 New Hampshire that we could study.

14 Q. Because if, assuming, if the property effects  
15 did go away over four years, then wouldn't this  
16 study have been bound to find no property  
17 effect?

18 A. If they did go away after four years, we  
19 wouldn't have found any effects, and we found a  
20 lot of effects. So, --

21 Q. You found a lot of effects?

22 A. Well, we found 10, out of the 58 case studies,  
23 we found effects, yes. And there were another  
24 handful that were indeterminate. So, we found



[WITNESS: Chalmers]

1 effects.

2 Q. I want to talk about the extent of your  
3 experience providing testimony. So, I'm  
4 looking for a clarification as between your  
5 resumé, your testimony in this case, on Monday,  
6 this week, and the data requests. And, so,  
7 I'll take those in turn. Let me just ask you  
8 generally, in terms of earning your living,  
9 these days, right now, how much of your living  
10 do you earn from testifying? Most of your  
11 living, about half of your living, or not much?

12 A. Right now -- well, I'm retired.

13 Q. Okay.

14 A. And my consulting activity now is a relatively  
15 small portion of my activity.

16 Q. Uh-huh.

17 A. That would be the most accurate description.

18 Q. So, when you say "consulting" in that  
19 statement, do you mean testifying? Doing what  
20 you're doing in this case?

21 A. Well, what I'm doing in this case, I would  
22 characterize, you know, as "research" or as  
23 "consulting".

24 Q. Okay.

[WITNESS: Chalmers]

1 A. The testimony, happily, is a very small part of  
2 that.

3 Q. Dr. Chalmers, let me back up and make sure  
4 we're talking about the same definition of  
5 "providing testimony".

6 A. Okay.

7 Q. So, what I am talking about is, when you're  
8 working on any case whatsoever, where you are  
9 doing what you're doing today, you're sitting  
10 before a public agency and you are providing  
11 information, or what you've done with your  
12 prefiled, your supplemental, and your report,  
13 in a written form, you're providing information  
14 to a public body, and, in more particular, a  
15 public body who is deciding something, based on  
16 what -- the information you're providing, and  
17 the universe of information provided by others,  
18 that public body will make a decision about  
19 something. So, is that clear what I mean when  
20 I'm talking about "providing testimony"?

21 A. I think so.

22 Q. Okay.

23 A. Yes. I would say the -- I think I could safely  
24 say that all of my activity, all of my

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1 consulting activity, all of my research, and  
2 it's principally research, is either in some  
3 kind of licensing process or some litigation  
4 process or some arbitration process or some  
5 adjudicatory process.

6 Q. Okay. So, right now, in your retired state,  
7 which you seem like a busy retired guy, just  
8 about everything you're doing involves  
9 testimony?

10 A. If you want to define it broadly to include  
11 those things that I just described, yes.

12 Q. Okay. So, for how -- when did you retire?

13 A. 2002.

14 Q. Okay. So, how long has it been the case that  
15 most everything you're doing involves providing  
16 testimony with respect to licensure or  
17 litigation or the other two things you listed?

18 A. Probably -- it's always been a significant  
19 portion of what I've done. In the '70s and  
20 '80s, I was also doing quite a bit of just  
21 straight real estate consulting, as in best  
22 use, feasibility studies, that kind of thing.  
23 But I was also doing a lot of testimony-related  
24 work, as you've defined it.

[WITNESS: Chalmers]

1 Q. Uh-huh.

2 A. Subsequent to joining Coopers & Lybrand in  
3 1990, I was in the litigation support practice.  
4 And I would say, from that point on, most of my  
5 work, the great majority of the work has been  
6 in either a litigation context or in this  
7 testimony context that we've just defined.

8 Q. Okay. Now, I want to look at your resumé  
9 please, which you attached -- we talked about  
10 earlier, you attached to your original prefiled  
11 testimony. So, there aren't any dates. And,  
12 so, what I'm looking for is to just kind of go  
13 through this, not line-by-line, can you give me  
14 a general characterization, and what I mean by  
15 that is, you know, none, some, or most of these  
16 items that you've listed involved providing  
17 testimony. So, we can just sort of start at  
18 the top, where you have your "Regional/Urban  
19 Economics" work. Did none of that, some of  
20 that, or most of that involve providing  
21 testimony?

22 A. Well, it's really a variety of things. I don't  
23 find that distinction particularly easy to work  
24 with. Again, this is regional/urban economics.

[WITNESS: Chalmers]

1 I think it's pretty well described what it is,  
2 but much better described than the  
3 generalization that you're trying to make.

4 Q. Okay. Let's --

5 A. So, you know, I did work for the Bureau of  
6 Reclamation on the 160-acre --

7 Q. Dr. Chalmers, let me -- I don't mean to  
8 interrupt you, and if you want to continue your  
9 answer, please do. But I'd like to try to  
10 expedite things, by looking at the section a  
11 few pages in, I think you've titled it  
12 something like "Court". So, are you with me?  
13 This is Page 6 of your resumé attached to your  
14 original prefiled testimony, and there's a  
15 header "Testimony", and then Number 1 within  
16 that header is "Court"?

17 A. Yes. I see that.

18 Q. Okay. Fair to assume that all of this involves  
19 testimony?

20 A. Correct.

21 Q. Okay. And, if we flip to the next page, the  
22 list continues?

23 A. Correct.

24 Q. Okay. So, I want to look at a data request

[WITNESS: Chalmers]

1 from this case. If we can get that on the  
2 screen, I'll give you the reference.

3 MS. MANZELLI: Actually, can you do  
4 the cover page, Nicole, so we can see the  
5 exhibit number? Thank you.

6 BY MS. MANZELLI:

7 Q. So, this is "Joint Muni Exhibit 162". And, if  
8 you want to turn to the third page. So, I'll  
9 give you a moment. Can you read that on your  
10 screen? Is it --

11 A. Yes.

12 Q. Okay. Just let me give you a moment to  
13 familiarize yourself with what this says.

14 A. Right.

15 Q. Okay. So, what this was was, during discovery  
16 before the hearing of this matter, one of the  
17 parties asked the Applicant "Tell us" -- "Give  
18 us a list of all the cases and the docket  
19 numbers of those cases where Mr. Chalmers has  
20 testified." And the list below contains three  
21 projects, three listings, and it was limited to  
22 the past ten years. Were you involved in the  
23 preparation of the answer to this question?

24 A. Yes.

[WITNESS: Chalmers]

1 Q. Okay. Do you know why it was limited to ten  
2 years?

3 A. No.

4 Q. And, again, on your resumé, there weren't  
5 times. So, given that you've been doing mostly  
6 testimony-related work, is this an accurate  
7 answer?

8 A. Yes.

9 Q. So, everything that's listed on your resumé  
10 that involved testimony occurred prior to 2005?

11 A. Correct.

12 Q. Okay. Now, I just have a couple quick  
13 questions that have come up from some of the  
14 prior testimony.

15 So, do you agree with me that there is  
16 some development that has not occurred because  
17 of the prospect of the Northern Pass Project?

18 A. No. I mean, it's possible. I'm not aware of  
19 any specific examples. I haven't studied any  
20 specific examples. Anything is possible.

21 Q. It's possible that some development has not  
22 occurred because of the prospect of the  
23 Northern Pass Project?

24 A. That's --

[WITNESS: Chalmers]

1 Q. That's what you said?

2 A. I would certainly say that it is possible, but  
3 I have no knowledge.

4 Q. Would you say that it's probable?

5 A. No.

6 Q. Because you have no evidence one way or the  
7 other?

8 A. Exactly.

9 Q. Okay. And it's possible then, both for  
10 commercial and residential development, right?

11 A. Again, I have no evidence one way or the other.

12 Q. But, if it's possible, it's possible for any  
13 type of development?

14 A. That's right. I mean, it's possible.

15 Q. And you've provided no analysis regarding this  
16 possibility, correct?

17 A. That's right.

18 Q. All right. I want to talk with you about  
19 tourism. You mentioned earlier that you relied  
20 on Mr. Nichols' report and testimonies with  
21 respect to tourism impacts, right? I think you  
22 covered this on Monday.

23 A. Correct.

24 Q. And, just to clarify the record there, correct

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[WITNESS: Chalmers]

1 that you mentioned earlier that you relied on  
2 Mr. Nichols' report and testimonies with  
3 respect to tourism impacts?

4 A. Yes.

5 Q. Okay. Now, again, definitely correct me if I'm  
6 mistaken, you didn't say anywhere in your  
7 report, or either of your prefiled testimonies,  
8 that you rely on Mr. Nichols, did you?

9 A. No.

10 Q. But your testimony, in the context of the  
11 hearing, is that you do rely on Mr. Nichols?

12 A. Right. The absence of tourism-related real  
13 estate value impacts, you know, ultimately, was  
14 influenced by Mr. Nichols' testimony with  
15 respect to the absence of those impacts. I  
16 mean, had there been data or testimony or  
17 conclusions that there were, that might have --  
18 that might have, depending on what they were,  
19 could conceivably have generated some  
20 investigation in that area. But it did not  
21 appear to be warranted.

22 Q. Do you believe that Mr. Nichols has made any  
23 opinion or done any analysis in this case with  
24 respect to property values of tourism

[WITNESS: Chalmers]

1 destinations?

2 A. I don't believe so, no.

3 Q. So, you're not relying on his testimony with  
4 respect to impacts to real estate values to  
5 tourism destinations?

6 A. That's correct.

7 Q. And, as far as you know, there's no one else in  
8 this case, not you, not Mr. Nichols, not anyone  
9 else, who has analyzed or rendered any opinion  
10 about the impacts to real estate values at any  
11 tourism destination along the proposed route,  
12 right?

13 A. That's my understanding of the testimony, yes.

14 Q. So, this Subcommittee is going to have to  
15 decide to approve or deny this Project without  
16 any testimony about the impacts to property  
17 values to tourism attractions along the  
18 proposed route, right?

19 A. That appears to be the case.

20 Q. All right. I want to talk with you about  
21 visibility. So, do I understand correctly that  
22 you determined on your own which properties  
23 would be impacted by visibility of the Project?

24 A. Yes, I'd be a little more precise. I

[WITNESS: Chalmers]

1 determined on my own which properties -- for  
2 which properties it appeared, from my  
3 investigation, that there would be a change in  
4 the visibility of structures due to the  
5 Project.

6 Q. And you testified earlier, just to summarize,  
7 you eyeballed a few things. You eyeballed  
8 where the right-of-way was, and you did this  
9 from public rights-of-way, where the proposed  
10 structures would be, where vegetation would be  
11 cleared, and which -- and then, ultimately,  
12 which properties would have a change in view?

13 A. Correct.

14 Q. And you testified earlier that you are not a  
15 visibility or aesthetic expert, right?

16 A. That's right.

17 Q. Now, I'm going to show you a document, and I  
18 will explain what it is. But, before I do, I  
19 want to know if you are familiar with this  
20 document?

21 A. No.

22 Q. Now, I know you've been working on this case  
23 for a lot of years, so I sympathize with you.  
24 But do you -- is it possible that you've seen

[WITNESS: Chalmers]

1           this document before you and you don't recall  
2           it, or do you not recall ever seeing this  
3           document before?

4   A.    I have not seen this.

5   Q.    Okay.  So, let's back up and look at the cover  
6           sheet, so I can walk you through what this is.  
7           This is part of Applicants' Exhibit 1, and we  
8           can -- Exhibit 1 is a large document.  So, this  
9           is the portion of Exhibit 1 that starts with  
10          Bates stamp APP 14305.  And it's the Northern  
11          Pass Transmission Line Visual Impact  
12          Assessment.  So, this is the Applicants' Visual  
13          Impact Assessment.

14                   MS. MANZELLI:  Turn to the contents  
15                   please, Nicole.

16  BY MS. MANZELLI:

17  Q.    And you can see here from the Table of  
18          Contents, or perhaps you can't see, but I'll  
19          represent that Appendix A is "Viewshed  
20          Mapping".  And, so, we can flip now back to the  
21          map that we were at.  And these maps are a  
22          portion of Appendix A, the viewshed maps.

23                   MS. MANZELLI:  So, let's look at the  
24                   map, Nicole.

[WITNESS: Chalmers]

1 BY MS. MANZELLI:

2 Q. Now, the content of this is not particularly  
3 important. I know it's hard to look at, but I  
4 want to walk you through the basics of what  
5 you're looking at here. So, the map depicts  
6 areas, according to the Applicants' aesthetics  
7 witness, where -- from where the Northern Pass  
8 Project would be visible. So, the darker the  
9 purple, the more the visibility. For example,  
10 the darkest purple, they are predicted to see  
11 more than 20 structures, and the lightest of  
12 purple, they will have visibility of at least 1  
13 to 5 structures. So, you see that basic key  
14 there and understand how this map is set up?

15 A. Yes. I got the drift.

16 Q. Okay. Now, let's turn to the next page. For  
17 each of these maps, the Applicants have  
18 provided two different versions. So, that  
19 version shows most visibility to least  
20 visibility of the Project. And, then, this  
21 map, can you --

22 MS. MANZELLI: Yes, Nicole, go ahead,  
23 please zoom in on the delta between existing  
24 and proposed, on the bottom left-hand corner.

[WITNESS: Chalmers]

1 BY MS. MANZELLI:

2 Q. So, you can see here that this map, again,  
3 similar, it shows the visual -- visibility in  
4 purple, and it's the delta between the existing  
5 and proposed. So, where it's purple, there's  
6 just one shade on this map, it's areas with  
7 visibility or structures in -- of structures,  
8 excuse me, in the proposed corridor. So, you  
9 understand the difference between these two  
10 maps? One shows the change, one shows the  
11 extent of the visibility in a quantitative way?

12 A. Yes.

13 Q. Okay. Now, wouldn't it have been much more  
14 accurate to use the Applicants' viewshed  
15 mapping to determine which properties would be  
16 impacted by the view of the Project if it were  
17 built?

18 A. No.

19 Q. Why?

20 A. Totally different issue. The issue here is a  
21 given property, a given house, okay, you put  
22 that house on the market. When a prospective  
23 buyer comes up to that house, can he or she see  
24 that they have a clearly unobstructed view of

[WITNESS: Chalmers]

1 existing structures. Okay? And I was able to  
2 determine that, with a high degree of  
3 reliability I think, just standing in the road,  
4 it was pretty obvious, roughly, of the 89  
5 properties, about 50 of them, the existing  
6 structures were clearly visible. And, in those  
7 same 50 or so cases, it's kind of -- it was  
8 very obvious that the Northern Pass structures  
9 would be clearly visible.

10 But we were also interested in properties  
11 in which the existing structures perhaps were  
12 not visible or less visible. And, again, it's  
13 very specific to that property. This sort of  
14 generalized mapping wouldn't begin to -- let me  
15 just be more brief, this generalized mapping  
16 wouldn't have answered the question that I  
17 needed to have answered.

18 Q. Do you understand that this mapping is  
19 available and frequently shared between the  
20 parties in electronic format, where you can  
21 zoom right in to the property level?

22 A. The issue for me, as we had defined it, was, if  
23 you walked around the perimeter of the house,  
24 would you have an unobstructed view of those

[WITNESS: Chalmers]

1 portions of the structure to which the  
2 conductors are attached. And I know nothing  
3 about the methodology here. But I would be  
4 very hesitant to rely on this kind of  
5 generalized approach to answer that question.

6 Q. And do I understand correctly or do I assume  
7 correctly, because you have no -- if you were,  
8 please tell me, but I think you just said you  
9 have no knowledge of the methodology that  
10 resulted in these maps. Does that mean that  
11 you didn't consult or confer in any way with  
12 the Applicants' aesthetic witnesses?

13 A. Correct. Yes. I just wanted to know whether  
14 you could see them, and I'm pretty good at  
15 that.

16 Q. Better than an aesthetics witness?

17 A. Entirely different process that they're going  
18 through. I'm actually going out, getting as  
19 close to the property as I can and looking.  
20 And I was really actually somewhat surprised  
21 that it was very easy to tell, in the great  
22 majority of cases, there are a few long  
23 driveways, but, basically, in New Hampshire,  
24 people build their houses pretty close to the



[WITNESS: Chalmers]

1 road, and you could -- you could tell.

2 Q. Now, do I recall correctly or did I understand  
3 yesterday correctly that your testimony is that  
4 only 11 or 12 properties that are presently  
5 screened from all utilities will get either a  
6 partial or clear view, if the Project were to  
7 be built?

8 A. No. There are only 11 that will have a change  
9 from either "none" to "partial", excuse me, or  
10 from "partial" to "clear".

11 Q. Okay. Thank you for that clarification. And  
12 do I understand correctly that this is out of  
13 the entire 192-mile route, spanning  
14 three-quarters of the entire State of New  
15 Hampshire, that only 10 or 12 properties will  
16 have a change, as you've defined "change"?

17 A. There will be only 10 of the 89 properties that  
18 are located within 100 feet, which have homes  
19 located within 100 feet of the overhead portion  
20 of the proposed Project.

21 Q. So, let me just make sure I got that. So,  
22 within 100 feet of the proposed Project --

23 A. A hundred feet of the right-of-way boundary, in  
24 that --

[WITNESS: Chalmers]

1 Q. Okay.

2 A. -- along those sections of the right-of-way in  
3 which the Project would be overhead.

4 Q. So, within 100 feet of either edge of the  
5 right-of-way where the line is proposed to be  
6 constructed, out of the 89 properties that you  
7 looked at, only 10 of them will have a change,  
8 as you've defined "change", in view?

9 A. Eleven.

10 Q. Eleven. Okay. Aside from saying "10", rather  
11 than "11", that statement I just made is  
12 correct?

13 A. Yes.

14 Q. Now, am I correct to assume that you didn't  
15 cross-reference your conclusions about change  
16 in view with any of this viewshed mapping that  
17 we've looked at?

18 A. That's correct.

19 Q. And, just to clarify, we don't need to look at  
20 this exhibit, Nicole, but are you aware that  
21 the Applicant submitted expanded viewshed  
22 mapping subsequent to some regulatory changes?

23 A. No.

24 Q. Okay. So, do I fairly assume then that you

[WITNESS: Chalmers]

1           also did not consult the updated viewshed  
2           mapping?

3   A.   That's correct.

4   Q.   Okay.  Now, I want to focus -- there's been  
5           some focus on this, and it obviates some of my  
6           questions, so forgive me for bouncing around.  
7           I'm going to try to go through this more  
8           quickly than I had anticipated.

9           I think it's pretty clear that your  
10          definition of "change" is whether there was no  
11          view of any utility structure whatsoever, and  
12          then there would be some view, or whether --  
13          "partial" is your word, or you could also have  
14          a change if you had a partial view of any  
15          utility structure, and if this Project were to  
16          be built, then you would have a "clear view" of  
17          a utility structure.  Am I summarizing that  
18          correctly?

19  A.   You added a few things.

20  Q.   Okay.

21  A.   The "none", "partial", "clear" simply referred  
22          to visibility conditions.  You added something  
23          about the Project being added in there.

24  Q.   Yes, "if the Project were built".

[WITNESS: Chalmers]

1 A. Well, that's one of the -- yes. Ultimately, we  
2 were looking for those cases where there would  
3 be a change in visibility associated with the  
4 Project.

5 MS. MANZELLI: Okay. Let's look at  
6 that Picture Number 9.

7 BY MS. MANZELLI:

8 Q. So, I want to show you a picture. This is not  
9 involving the Project. I'm trying to  
10 understand your definition of "partial".

11 MS. MANZELLI: This will be SPNF  
12 number-to-be-determined. For the record, this  
13 depicts what I would characterize as a large,  
14 probably steel, not wood, lattice structure,  
15 with a house to the right-hand -- a small house  
16 to the right-hand side of the picture.

17 BY MS. MANZELLI:

18 Q. So, you see here that there's either a small  
19 tree or a shrub in front of the lower  
20 right-hand portion of the structure?

21 A. Correct.

22 Q. So, would this, from this house, would you  
23 describe this as "partially visible" or  
24 "clearly visible"?

[WITNESS: Chalmers]

1 A. I've repeated this many times in the last two  
2 days.

3 Q. Humor me, because I still am not clear.

4 A. Okay. You've got to have a definition that's  
5 applicable, it's pragmatic. "Clearly visible"  
6 means "an unobstructed view of all portions of  
7 the structure to which conductors are  
8 attached". This structure would be "clearly  
9 visible".

10 Q. Okay.

11 A. Because all portions of that structure to which  
12 conductors are attached can be seen without  
13 obstruction.

14 Q. Just so I'm crystal clear, if this tree here  
15 *[indicating]* obstructed this -- I believe this  
16 is the lowest of the lines coming in, if that  
17 tree were where my finger is, would this be  
18 "partial" then?

19 A. "Clearly visible" means "an unobstructed view  
20 of all portions of the structure to which  
21 conductors are attached". So, we go to the  
22 portion of the structure where the insulators  
23 attach the conductors to the crossmember, of  
24 which there are three. And, if we have an

[WITNESS: Chalmers]

1 unobstructed view, then it's "clearly". Where  
2 your finger is is irrelevant to that. That's  
3 not where conductors are attached to the  
4 structure.

5 Q. Okay. So, if the tree obstructed this  
6 *[indicating]*, that would be "partial"? Do I  
7 understand that correctly?

8 A. Yes. Now you're getting it.

9 Q. Okay. Thank you. In the context of your  
10 conversation with Attorney Pappas on Monday, he  
11 asked you something like, I may not have  
12 captured this exactly, in terms of your  
13 determination of change, change in view, "it  
14 doesn't matter at all if the new utility pole  
15 would be 55 feet tall, 90 feet tall, 100 feet  
16 tall, or whether it would be a wooden pole or a  
17 lattice pole", right?

18 A. That's correct.

19 Q. A lattice tower, excuse me. And, in part of  
20 your response, you said that you looked at the  
21 data -- or, excuse me, the data you looked at  
22 in New Hampshire suggests it doesn't make a  
23 difference, right?

24 A. That's the implication of the research that

[WITNESS: Chalmers]

1 we've done to date, yes.

2 Q. But you haven't looked at any data in New  
3 Hampshire that involved 140- or even 165-foot  
4 tall towers, have you?

5 A. I can't speak to the full range of towers on  
6 the Phase II line. I suspect there may be some  
7 road crossings or river crossings or something  
8 where there are some very tall structures.

9 But, you know, we've looked along the  
10 entire Phase II corridor, the PSNH corridor,  
11 there's some -- there's quite a variety of  
12 structures. I can't speak to exactly what the  
13 -- you know, what the variety of structures is.  
14 But they're not uniformly -- they're not  
15 uniform.

16 Q. Are you saying that there is a statistically  
17 significant amount of 140- or 165-foot towers  
18 on the Phase II line?

19 A. There's no "statistical significance" issue  
20 here. This is not -- this is not statistical  
21 analysis, this is --

22 Q. Let's not get caught up --

23 *[Court reporter interruption -*  
24 *multiple parties speaking.]*

[WITNESS: Chalmers]

1 MS. MANZELLI: I'm sorry.

2 **CONTINUED BY THE WITNESS:**

3 A. This is not statistical analysis. This is case  
4 study analysis.

5 BY MS. MANZELLI:

6 Q. So, is there any case study that you looked at  
7 that involved 140- or 165-foot tower?

8 A. I can't say as I sit here.

9 Q. Is the word "change", you know, earlier I  
10 received some questioning about "Is the word  
11 "significant" legally defined?" Is the word  
12 "change", is that legally defined in that way?  
13 You know, is there a definition of that in the  
14 U.S. PAP standards or in the New Hampshire laws  
15 about appraisals?

16 A. "Change" is --

17 Q. Is it a term of art?

18 A. "Change" is very carefully defined as we have  
19 used it here. Obviously, it's used by many  
20 people in many different contexts and different  
21 ways. But I've been very clear how we are  
22 using it. We know what "none" means, we know  
23 what "partial" means, and we know what  
24 "clearly" means. And a "change" is a change in



[WITNESS: Chalmers]

1 those categories, from one category to the  
2 other. That's the definition.

3 Q. And you agree, with respect to the viewshed  
4 mapping that we looked at, that the Applicants'  
5 aesthetics witness did not describe "change" in  
6 the same way, right?

7 A. Correct, as far as I know. I really don't know  
8 what he did, but --

9 Q. And do you agree that a standard  
10 dictionary definition of "change" is "to cause  
11 to be different; to give a completely  
12 different form or appearance; to give and  
13 receive reciprocally; to interchange",  
14 *etcetera*?

15 A. Do I agree that that's what the dictionary  
16 says?

17 Q. Uh-huh.

18 A. If you -- I don't have it in front of me, but  
19 I'll take your word for it.

20 Q. And did you have any reference for using -- for  
21 describing "change" in the way that you did in  
22 this case?

23 A. You have to have an operational -- a  
24 well-defined, operational definition, or the

[WITNESS: Chalmers]

1 research is meaningless. And, you know, in  
2 different applications, you'd define it  
3 differently.

4 But it had a very specific meaning in this  
5 research that we did. And, you know, so we can  
6 understand what it means when I say there's  
7 change. I'm not making some general statement  
8 about whether Individual A would say there's a  
9 change. I'm making a very specific statement,  
10 based on sort of operational definitions that  
11 we had to develop, in order to do the research  
12 and make it reliable and understandable.

13 Q. And, by "operational", you mean internal to you  
14 and the team on this case that we're doing this  
15 analysis?

16 A. I mean "operational" in the sense of creating  
17 reliable, credible research.

18 Q. Right. But you've used words like "we" and  
19 "operational", and I want to make sure you're  
20 not saying something like "we, everybody in the  
21 appraisal industry, operates in this way."  
22 That's not what you're saying, is it?

23 A. No. No. This is the definitions that we have  
24 developed for the specific purposes of making

[WITNESS: Chalmers]

1 this research understandable and credible.

2 Q. And you agree that nowhere in the materials  
3 from the Applicants' witness regarding  
4 aesthetics do they make this distinction that  
5 you're making?

6 A. I have no idea. I'm not familiar with their  
7 work.

8 Q. Okay. We have looked at the two viewshed maps,  
9 and, if we want to look at those again, we can.  
10 But did you see anywhere in there that had any  
11 of the same distinctions, "clear view",  
12 "partial view", "no view", and then the change,  
13 as you've defined "change"?

14 A. Not on the two maps you showed me. I didn't  
15 see any evidence of that, no.

16 Q. Now, you agree, don't you, that impact to view  
17 has a relationship to property values, right?

18 A. It can have, yes.

19 Q. Okay. And, in some instances, when it's close  
20 enough, when the change -- when there is a  
21 change, by your analysis, there can be a  
22 decrease in property values expected?

23 A. Associated with the HVTL, yes.

24 Q. Yes. And, in particular, associated with this

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1 proposed Project, right, because it would be an  
2 HVTL?

3 A. Yes.

4 Q. Now, do you also agree that -- and you agreed  
5 previously that there are personal values  
6 associated with real estate, that essentially  
7 none of this analysis we're talking about  
8 accounts for personal values associated with  
9 real estate, right?

10 A. Yes. I tried to make it very clear that  
11 there's a subjective perspective in these  
12 matters that -- of the individual property  
13 owner, which is important and certainly needs  
14 to be respected. But that's very different  
15 from the perspective I'm taking, which is the  
16 market value perspective, perspective of the  
17 market.

18 Q. Now, do you agree that aesthetic impacts to the  
19 landscape and to the community can have an  
20 adverse relationship to properties, in certain  
21 circumstances?

22 A. I don't understand the question.

23 Q. So, let's say my view from my home is a  
24 vegetated hillside or mountainside, I can't see

[WITNESS: Chalmers]

1 any utilities. And the hillside, by the way,  
2 is more than 100 feet away, you know, it's a  
3 half a mile away. And, instead, if this  
4 Project were to be built, I'm going to see a  
5 vegetated right-of-way cut, you know, the line  
6 that you can see in the landscape when a  
7 right-of-way goes through, and I'm going to see  
8 be it a transition tower or a monopole or a  
9 lattice tower, and then the lines in between  
10 them. So, that's what I would see.

11 I'm assuming, for the sake of this  
12 questioning, that that would be an "impact to  
13 aesthetics", not on my property, but on the  
14 land that I see from my property. So, with  
15 that definition, do you agree that, in certain  
16 circumstances, impacts to aesthetics can be --  
17 can impact property values?

18 A. Not in that circumstance, no.

19 Q. But in some circumstances?

20 A. No, not at -- at a distance, the literature  
21 doesn't support that, the case studies don't  
22 support that, and assessor behavior in New  
23 Hampshire does not support that.

24 Q. Okay. So, in your opinion then, it's really

[WITNESS: Chalmers]

1 just the view impact within the 100 feet of the  
2 right-of-way, as we discussed a few minutes  
3 ago?

4 A. It's the combination of visibility and  
5 proximity that results in market value effects,  
6 which is, again, as the result of the research  
7 principally, but it's supported by both the  
8 literature and by assessment practices in each  
9 of the towns -- well, in the towns that I've  
10 investigated in the state.

11 Q. So, wouldn't the complete burial of this line  
12 avoid any of these adverse impacts to property  
13 values that we're talking about?

14 A. It would avoid visibility effects on proximate  
15 properties, yes.

16 MS. MANZELLI: Okay. I have no  
17 further questions. Thank you, Dr. Chalmers.

18 And, just to clarify, I have no  
19 further questions either now or in the  
20 confidential session. I don't need to do that.

21 CHAIRMAN HONIGBERG: Okay. Then,  
22 we'll take our morning break and come back in  
23 about ten minutes.

24 (Recess taken at 10:29 a.m. and

[WITNESS: Chalmers]

1 the hearing resumed at 10:43  
2 a.m.)

3 CHAIRMAN HONIGBERG: All right. Here  
4 we go. Mr. Cunningham, you ready to go?

5 MR. CUNNINGHAM: Yes, Mr. Chairman.

6 CHAIRMAN HONIGBERG: You may proceed.

7 MR. CUNNINGHAM: Dr. Chalmers, you  
8 and I have something in common. My name is Art  
9 Cunningham. I'm an attorney. But I'm retired.

10 WITNESS CHALMERS: Thank you.

11 MR. CUNNINGHAM: As are you.

12 WITNESS CHALMERS: It's great, isn't  
13 it?

14 MR. CUNNINGHAM: But I still do  
15 stuff. And one of the things I wanted to do  
16 was this Northern Pass case. And I represent a  
17 man by the name of Kevin Spencer, who is a  
18 carpenter, and a man by the name of Mark  
19 Lagasse, who is a small businessman, and he has  
20 equipment, he does excavation, demolition and  
21 things like that. And their interest in this  
22 case as intervenors is they are building a  
23 lodge and campground in Stark, New Hampshire.  
24 It's just about done, but not quite.

[WITNESS: Chalmers]

1                   And, when they came to me, they said  
2                   "What can we do to stop this? We are scared.  
3                   We are angry."

4 BY MR. CUNNINGHAM:

5 Q.    So, I could tell you and I can give you some of  
6           the background of what they're doing, and you  
7           can tell me what you'd think about the project.  
8           They have put lots of money, their own money,  
9           they're not borrowing money, and endless hours  
10          of time.

11                   MR. WALKER:  Objection, Mr. Chairman.  
12                   And I'm presuming there's a question coming  
13                   here.

14                   CHAIRMAN HONIGBERG:  Is there a  
15                   question coming, Mr. Cunningham?

16                   MR. CUNNINGHAM:  Yes.  There will be  
17                   a question.

18 BY MR. CUNNINGHAM:

19 Q.    And the property that they own is encumbered  
20           with an existing 115 kV line that lies behind  
21           the lodge.  You told us that you, and as did  
22           Mitch Nichols announce, this may have given  
23           when Mr. Nichols told this Committee that he  
24           had not done any analysis of the tourist



[WITNESS: Chalmers]

1 impacts on destination properties, like Percy  
2 Lodge and Campground, you have not done any  
3 appraisals on tourist lodges and tourist  
4 campgrounds, have you?

5 A. No, I haven't.

6 Q. And, so, you have not looked at the Percy Lodge  
7 and Campground?

8 A. I have not, no.

9 Q. Do you know where it is?

10 A. I don't.

11 Q. And have you even been by it?

12 A. I can't say one way or the other.

13 Q. All right. And what bothers me about the fact  
14 that you haven't done that, and Nichols hadn't  
15 done it either, is was that your decision or  
16 was that the decision of Eversource?

17 A. Well, the scoping of the study, in terms of  
18 focusing in the case studies on residential  
19 properties, I would say was largely my  
20 decision. You know, I was asked to address the  
21 question of impacts on real estate values. And  
22 I then designed the study -- studies, you know,  
23 to accomplish that objective, and then  
24 subsequently responded to various testimony

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[WITNESS: Chalmers]

1 offered by intervenors. But all of the efforts  
2 that I've done have, you know, I've been the  
3 one who conceptualized it and organized it, and  
4 oversaw the execution of it.

5 Q. And did you have occasion to look at the  
6 testimony provided by the Spencer/Lagasse  
7 intervenors in this case?

8 A. I didn't, no.

9 Q. All right. So, is there any point in me even  
10 asking you about the impacts on that property  
11 by this Project?

12 A. I have -- no. You know, I don't have any  
13 information about that property, and any basis  
14 on which I could answer as I sit here.

15 Q. Well, if I gave you some information?

16 A. I'd be happy to look at it.

17 Q. As I said, the lodge property, it's a lodge and  
18 campground, it's a beautiful place, on a river.  
19 Backdrop mountains, beautiful river in the  
20 foreground, fishing, canoeing. The White  
21 Mountain National Forest lies just to the  
22 south. Hiking, biking, all the things that  
23 tourists like to do.

24 The 115 kV line lies below tree level.

[WITNESS: Chalmers]

1 It's not visible above the tree level.

2 Obviously, when the Northern Pass is installed,  
3 and the 115 kV line is relocated, there are  
4 going to be significant visibility of the new  
5 structures.

6 It's even possible, because of some other  
7 factors, that both the 115 kV line and the new  
8 Northern Pass line will be on one very, very  
9 high monopole, that will be distinctly visible  
10 above treeline. What other facts do you need  
11 to know?

12 A. As you may appreciate, the feasibility analysis  
13 of these kinds of developments, these sorts of  
14 resort, is a pretty darn complicated process.  
15 They have very unique kind of characteristics.  
16 And you need to understand the competition and,  
17 you know, the basic demand flows. And, you  
18 know, I don't have any of that information.  
19 And then how an incremental change, such as the  
20 visibility one that you're describing, impacts  
21 all that is a pretty tough question to answer.  
22 And, you know, I don't have any basis, really,  
23 to speculate about it.

24 Q. And would some income analysis be required?

[WITNESS: Chalmers]

1 A. Yes. Ultimately, you would, you know, I  
2 suppose the simplest way to think about that  
3 kind of operation is occupancy and rate. You  
4 know, what rate are you getting and what level  
5 of occupancy do you have? And, ultimately,  
6 you'd try to -- that would be your basic  
7 proforma that you'd develop for the project,  
8 and then you'd try to understand how some  
9 external factor might affect those things.

10 But --

11 Q. And are you competent to do that kind of work?

12 A. Not really. You know, the resort market is one  
13 that we always referred to specialists in that  
14 area. It's kind of its own little submarket.  
15 You know, in terms of going back to my real  
16 estate consulting days, I never did the  
17 hotel/motel/resort stuff, because, again, it's  
18 quite specialized.

19 Q. Yes. And what are the designations for  
20 specialists? You're not an MAI appraiser, are  
21 you?

22 A. No. I don't have that designation. That  
23 wouldn't be the issue, though. I mean, the  
24 issue would be -- you might have heard of the

[WITNESS: Chalmers]

1 firm Laventhol & Horwath, out of Philadelphia.  
2 They had a reputation in that area. There was  
3 actually a gentleman, I can't think of his  
4 first name, but Mr. Hanson, Ben, maybe it's Ben  
5 Hanson, at PricewaterhouseCoopers, where I was,  
6 who had -- who led a large hotel -- a large  
7 hospitality practice, which would have dealt  
8 with those issues. But it's more an  
9 experiential expertise than a -- I don't  
10 believe there's any designation, *per se*, that  
11 would be particularly relevant.

12 Q. So, to conclude here on this line of  
13 questioning, you cannot -- you have not and  
14 cannot give this Committee an idea of what  
15 impacts that the Project will have on this new  
16 and growing business?

17 A. That's correct.

18 Q. And Eversource didn't ask you to do that?

19 A. That's correct.

20 Q. So, when this Committee has the opportunity to  
21 decide about this Project and its real estate  
22 impacts on the Percy Lodge and Campground, they  
23 won't have any information in front of them.  
24 Correct?

[WITNESS: Chalmers]

1 A. Not any from me, no.

2 Q. All right. One of the things that I find  
3 interesting about this process, which has been  
4 a long process, is I love listening to people  
5 like Mary Lee. Who has been so diligent, and  
6 is so worried about the impacts of the Project  
7 on her property. And I think you recall  
8 Ms. Lee from yesterday?

9 A. I do.

10 Q. And, when she gave you a lot of parameters and  
11 a lot of definitive information, like she can  
12 see -- she will be able to see this much larger  
13 project out of her kitchen window, I think you  
14 ended up telling her, well, you really didn't  
15 know enough about whether or not her property  
16 and her property market value would be  
17 impacted. Wasn't that your answer?

18 A. Yes. I don't think we got down to exactly, you  
19 know, the exact location of her house relative  
20 to the right-of-way boundary and -- and the  
21 results of our work, you know, don't speak to  
22 an individual property. They really speak to  
23 probabilities associated with properties that  
24 have certain characteristics. So, her property

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[WITNESS: Chalmers]

1           may well fall into that group for which the  
2           Project may affect it. Kind of depending on  
3           the extent to which the property is so heavily  
4           impacted already, that the incremental effect  
5           of the Project may be insignificant in terms of  
6           its market value. You just really can't tell.

7   Q.   Well, it may or may not be. But you just  
8       basically did not answer her question.

9   A.   Yes. Sitting here, you know, I don't want to  
10       misrepresent what we know. And, without  
11       knowing a good deal more about it, I certainly  
12       wouldn't want to render an opinion with respect  
13       to that specific property, no.

14   Q.   In other words, your general study and your  
15       statistics, and your use of comparables and  
16       comparisons and so on, is not helpful to  
17       property owners like Mrs. Lee, in the context  
18       of this very large project, is it?

19   A.   That's right. You know, my objectives are to  
20       give the Committee guidance in terms, again, of  
21       sort of orders of magnitudes, in terms of  
22       discernible effects in the region. But, when  
23       it comes down -- and even with respect to  
24       categories of properties. But I wouldn't want

[WITNESS: Chalmers]

1 to represent that we can make statements,  
2 definitive statements about individual  
3 properties without individual property  
4 analysis, which was not part of my work.

5 Q. And I suspect, and you probably will agree with  
6 me, there's probably many other property owners  
7 out there in very similar situations as  
8 Mrs. Lee, that there's no information in front  
9 of this Committee to determine what the impacts  
10 of the Project will be?

11 A. Could well be, yes.

12 Q. Yes. So, we have two known, the Percy Lodge  
13 and Campground, my client, and Mrs. Lee and her  
14 worries.

15 Another one I thought was really, really  
16 interesting in the testimony yesterday was  
17 Bob -- or maybe it was the day before  
18 yesterday, I liked listening to Bob Cote. And  
19 do you remember Mr. Cote?

20 A. I do.

21 Q. And he had similar worries, did he not,  
22 about -- and he also owns an encumbered  
23 property, has owned it since 1993, or something  
24 like that, I think he said. And you were not



[WITNESS: Chalmers]

1           able to answer his questions either about the  
2           impacts on his property. You once again relied  
3           on your study, but did not specifically answer  
4           or address his concerns about the market value  
5           of his property?

6    A.   Well, I'm not -- I don't recollect the precise  
7           detail. And, certainly, a good part of his  
8           questioning was evidencing his concerns as a  
9           property owner, which I totally understand and  
10          appreciate. I don't recall whether he asked me  
11          explicitly about the market value of his  
12          property in light of the Project. I think,  
13          given the situation of his property, there's a  
14          pretty good chance that it would not be  
15          affected.

16   Q.   One of the things I recall about your  
17          conversation with Bob Cote was this. He had a  
18          question about the easement on his property.  
19          And, as I recall the facts, it was one of these  
20          many, many, many easements that were acquired  
21          by PSNH back in the late 1940s. Do you recall  
22          it that way?

23   A.   Yes. I remember some easement discussion.

24   Q.   Yes. And he developed the question, I think,

[WITNESS: Chalmers]

1           that "How can an easement that was acquired in  
2           1940 by PSNH now become part of a corridor for  
3           a high voltage transmission project that has  
4           nothing to do with New Hampshire?" Do you  
5           recall that?

6   A.    I do.

7   Q.    And, correct me if I'm wrong, Mr. Chalmers,  
8           didn't you tell him that, when that easement  
9           was acquired, it should have reflected market  
10          value at the time it was acquired? I think,  
11          and you went on to say "oh, the seller of that  
12          easement should have anticipated future uses of  
13          the easement." You recall that testimony?

14   A.    Yes. I think that's a fair -- a fair  
15          statement.

16   Q.    You think that's a fair statement?

17   A.    Yes. Uses at the -- you know, what could be  
18          anticipated at the time. I mean, there was a  
19          market, whatever that year was. Did you say  
20          "1950" or something?

21   Q.    I think Bob said it was the "late 1940s",  
22          "1949".

23   A.    Right. So, --

24   Q.    I don't remember exactly. But I know it was

[WITNESS: Chalmers]

1 one of the old easements that PSNH acquired 60  
2 and 70 years ago. And he was wondering how  
3 that old easement could be used for a project  
4 like this that, obviously, wasn't relevant to  
5 anybody's thinking back in 1947, and you  
6 through this at him: "Oh, the seller should  
7 have anticipated the future."

8 A. No, I doubt if I said that.

9 Q. You did say that, sir.

10 A. Okay. I'll take your word for it. But I guess  
11 what I'm saying is that the market at that time  
12 would have had some expectations about the use  
13 of that easement, and that would determine, you  
14 know, the market for the easements at that  
15 time. And, you know, those anticipated uses at  
16 that time may very well have been -- I mean, I  
17 would think they were probably quite different  
18 that what may actually have materialized.

19 Q. Yes.

20 A. But that's all you can -- I mean, what are you  
21 going to do? You're selling an easement at  
22 some point in time, and you have informed  
23 buyers and informed sellers, and they're acting  
24 on kind of the information that's in the market

[WITNESS: Chalmers]

1 at the time. But --

2 Q. Well, on your part, that just wasn't a glib  
3 throwaway, in other words?

4 A. No.

5 Q. You just were passing his concerns off about  
6 the history of that easement?

7 A. No. I was making a comment on, you know, the  
8 fact that these rights, these are property  
9 rights that are traded in the market. And, you  
10 know, I think a lot of people sold property  
11 that subsequently became very valuable, and  
12 there was no way they could have anticipated  
13 that, and they may have regrets. And there may  
14 be a contrary case here, where people sold some  
15 rights that turned out to be more of a problem  
16 than they would have anticipated at the time.

17 But the easement market is a real market.  
18 And, in 1940, if that's when this transaction  
19 occurred, there would have been, you know, the  
20 buyers around sellers would have had some --

21 Q. And do you know, as a matter of fact,  
22 Mr. Chalmers, what the point of the acquisition  
23 by PSNH of those easements was in 1947?

24 A. No.

[WITNESS: Chalmers]

1 Q. And do you assume that the purchaser and seller  
2 of those easements talked about the purpose of  
3 those easements?

4 A. You know, I don't have any knowledge or make  
5 any assumptions about that. They should have.

6 Q. Do you see DNA Exhibit A -- or, Exhibit 1 up on  
7 your screen?

8 A. I do.

9 Q. Are you familiar with that document?

10 A. No, I'm not.

11 Q. I'm going to go through this quickly. That is  
12 the easement that encumbers the Percy Lodge and  
13 Campground.

14 A. Okay.

15 Q. It was dated in 1947.

16 A. Okay.

17 Q. And, if you look up in the upper left-hand  
18 corner, it shows the tax stamps. You see that?

19 A. Yes.

20 Q. And "55 cents". If I told you that was \$500  
21 that PSNH paid for that easement, would you  
22 disagree?

23 A. No.

24 Q. And, if you scroll down through Number 1, it

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[WITNESS: Chalmers]

1 indicates that, if I can find it here, it's for  
2 "electric transmission and distribution lines".

3 A. I see that.

4 Q. Yes. And can you conceive of the conversation  
5 that the seller of this easement and PSNH, the  
6 buyer of this easement, had in 1947 on why they  
7 acquired that easement?

8 MR. WALKER: Objection. This is  
9 irrelevant to Dr. Chalmers' opinion, and it's  
10 also the subject of pending litigation of  
11 Attorney Cunningham's client against  
12 Eversource.

13 CHAIRMAN HONIGBERG: Mr. Cunningham.

14 MR. CUNNINGHAM: Mr. Chairman, they  
15 opened it up.

16 CHAIRMAN HONIGBERG: Why don't you  
17 speak into the microphone.

18 MR. CUNNINGHAM: Eversource opened  
19 this area of inquiry up when Mr. Chalmers  
20 testified that "Oh, buyers and sellers surely  
21 would have contemplated or anticipated what  
22 these easements could have been."

23 CHAIRMAN HONIGBERG: The objection is  
24 overruled. You can continue.

[WITNESS: Chalmers]

1 BY MR. CUNNINGHAM:

2 Q. And do you know how long this easement is? If  
3 you scroll down, I think you can see it's over  
4 3,000-foot easement.

5 A. Okay.

6 Q. And can you think about what PSNH would have  
7 told this lady, Stella Lunn, in 1947, on why  
8 they needed an easement, 150-foot easement over  
9 her property?

10 A. No. I don't have any basis to speculate about  
11 that.

12 Q. And you don't have any basis to speculate what  
13 she thought, when she had the conversations  
14 with the easement PSNH right-of-way acquired?

15 A. That's correct.

16 Q. Now, Mr. Chalmers, I just have a few more  
17 questions for you, about why PSNH might have  
18 acquired that easement. And you'll recall, do  
19 you not, that it said "for transmission and  
20 distribution"?

21 A. Yes.

22 Q. Can we assume that the easement was acquired to  
23 bring electricity to Stark, New Hampshire and  
24 the North Country?

[WITNESS: Chalmers]

1 A. If you want to assume that, I can assume it.

2 Q. Let me put it this way. Is that a reasonable  
3 assumption, in terms of the date?

4 A. You know, I --

5 Q. In terms of the language in the easement?

6 A. I really don't have the expertise. It's not my  
7 area of expertise. I'd be reluctant to offer  
8 an opinion on that.

9 Q. If you look at -- I think you'll have up now  
10 DNA Exhibit Number 2, which is the data  
11 requests that my client served on Eversource  
12 and the responses to those data requests.

13 A. Okay.

14 Q. And it says -- let me back up a minute. Do you  
15 know whether or not there are distribution  
16 lines and substations in the Dummer, Stark, and  
17 Northumberland area?

18 A. Actually, there must --

19 Q. To actually sell electricity --

20 *[Court reporter interruption -*  
21 *multiple parties speaking.]*

22 MR. CUNNINGHAM: Sorry. Sorry,  
23 Steve.

24 **BY THE WITNESS:**

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[WITNESS: Chalmers]

1 A. I'm not sure. Was the question "is there  
2 electricity in those areas?"

3 BY MR. CUNNINGHAM:

4 Q. Yes.

5 A. Yes.

6 Q. Yes. And that assumes, does it not, that there  
7 are substations, distribution lines and  
8 substations in that area?

9 A. Correct.

10 Q. And do you know whether or not those lines that  
11 encumber my clients' property are next to or  
12 near distribution lines and substations?

13 A. No, I don't.

14 Q. Okay. If you look at DNA Exhibit Number 2, A2  
15 1-15 [A2 1-5?]. I'll scroll to that one.

16 MR. IACOPINO: Art, can you eliminate  
17 that cortana? It blocks the left portion.

18 MR. CUNNINGHAM: Where did that come  
19 from? Yes, it does.

20 MR. IACOPINO: Maybe if you just  
21 click on the document, on your document.

22 MR. CUNNINGHAM: Thank you.

23 BY MR. CUNNINGHAM:

24 Q. Again, Dr. Chalmers, I'm looking at Data

[WITNESS: Chalmers]

1 Request A2 1-5. And please describe -- and my  
2 question was "Please describe the purpose of  
3 the existing transmission and distribution  
4 infrastructure on the easements traversing  
5 Dummer, Stark, and Northumberland.  
6 Specifically identify the generating source of  
7 the electricity. Where are the substations and  
8 transformers in Dummer, Stark, and  
9 Northumberland? What is the purpose of the  
10 substation and transformers?"

11 And, if you scroll down, it said "The Lost  
12 Nation Substation is located on Lost Nation  
13 Road, in the Town of Northumberland."

14 Okay?

15 A. Yes, I see that.

16 Q. Okay. And, if we look at A2 1-6, Data Request  
17 A2 1-6, "Please describe why and when the  
18 easements traversing Dummer, Stark, and  
19 Northumberland were acquired. Describe the  
20 method of acquisition, the negotiation, or  
21 eminent domain and what PSNH paid for the  
22 easement."

23 And you note that the Applicants didn't  
24 want to answer that question. But they go on

[WITNESS: Chalmers]

1 to say, in their response, in the second  
2 paragraph of the response, if you can see this,  
3 "Moreover, the Applicants object to the request  
4 as it seeks information not relevant to the  
5 proceeding and is therefore not reasonably  
6 calculated to lead to discovery of admissible  
7 evidence. Why and when the method of  
8 acquisition of the easements traversing Dummer,  
9 Stark, and Northumberland has no evidentiary  
10 value on the existence of the easements which  
11 are being leased by PSNH to NPT for the  
12 project." And then they go on to just give a  
13 general answer.

14 Can you and I agree that why those  
15 easements were acquired in 1947, early in 19 --  
16 in the late 1940s and the early 1950s, why it's  
17 important to know what the point of those  
18 easements were?

19 A. I don't have an opinion on that one way or the  
20 other.

21 Q. The reason I'm asking these questions is  
22 because it's basically an expansion on the  
23 questions that Bob Cote asked.

24 MR. WALKER: Objection.

[WITNESS: Chalmers]

1 CHAIRMAN HONIGBERG: Sustained.

2 MR. CUNNINGHAM: I just have a few  
3 more questions.

4 BY MR. CUNNINGHAM:

5 Q. What I have on the screen now, Dr. Chalmers, is  
6 Eversource has objected here this morning  
7 because this whole issue of why what was used  
8 to --

9 CHAIRMAN HONIGBERG: Mr.  
10 Cunningham -- Mr. Cunningham, it's your turn to  
11 ask questions of the witness. Not make  
12 arguments right now. Okay?

13 MR. CUNNINGHAM: Okay. Gotcha.

14 CHAIRMAN HONIGBERG: Thanks.

15 MR. CUNNINGHAM: Okay, Mr. Chairman.  
16 Sure.

17 BY MR. CUNNINGHAM:

18 Q. What I have up now, Mr. Chalmers, is a copy of  
19 the lawsuit that challenged the purpose of  
20 these easements that was the predicate for all  
21 this line of questioning to you. And, if you  
22 go to -- this is a draft -- or, this is the  
23 actual lawsuit that's been filed. Page 8,  
24 Paragraph 50. And this sets forth facts, and I

[WITNESS: Chalmers]

1 want you to take a look at it with me. "Prior  
2 to 19" -- you see it?

3 A. I do.

4 Q. Okay. "Prior to 1939, the Town of Stark did  
5 not have electricity, except that generated by  
6 battery or gas generator. People used candles  
7 and kerosene lamps for lighting, which had been  
8 the source of lighting for 150 years. In 1939  
9 Public Service Company, from Lancaster, New  
10 Hampshire, installed a line from Groveton, into  
11 Stark and Percy. The electric power was  
12 secured largely through the efforts of a lady  
13 named Ida Stone Cook. Consumers absorbed most  
14 of the labor cost for the installation on  
15 which, rather than sharing poles with telephone  
16 lines, followed the road." And the next  
17 paragraph of the lawsuit, and this is Paragraph  
18 51, and I'm quoting, if you can see it: "The  
19 historic background made it easy for PSNH, in  
20 the late 1940s and early 1950s, to persuade  
21 people to sign easements to upgrade power  
22 availability. Easement grantors, such as  
23 Stella A. Lunn, were induced to enter the grant  
24 upon the PSNH representation that the easement

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[WITNESS: Chalmers]

1 was necessary to bring needed electricity" --

2 MR. CUNNINGHAM: Objection.

3 CHAIRMAN HONIGBERG: What's the  
4 question, Mr. Cunningham? What's the question?

5 BY MR. CUNNINGHAM:

6 Q. Could that have been the purpose of the  
7 acquisition of these 50, 60, and 70 year-old  
8 easements, rather than --

9 MR. WALKER: Objection.

10 CHAIRMAN HONIGBERG: What's the  
11 grounds for the objection?

12 MR. WALKER: Objection, relevance,  
13 calls for speculation outside of Dr. Chalmers'  
14 area of testimony here.

15 CHAIRMAN HONIGBERG: Mr. Cunningham.

16 MR. CUNNINGHAM: Again, Mr. Chairman,  
17 he opened this line of inquiry by making a  
18 representation that sellers of these ancient  
19 easements should have been aware of this  
20 Project happening in the future.

21 CHAIRMAN HONIGBERG: And how does  
22 your reading from your complaint advance that?

23 MR. CUNNINGHAM: Sets forth the  
24 facts.

[WITNESS: Chalmers]

1 CHAIRMAN HONIGBERG: You are asking  
2 him if he agrees with the facts set forth in  
3 your complaint?

4 BY MR. CUNNINGHAM:

5 Q. I'm going to ask it this way. Does the facts  
6 set forth in this lawsuit change your response  
7 to Bob Cote, that "Oh, sellers should have  
8 anticipated the Northern Pass in 1947"?

9 A. You're totally misrepresenting my comments with  
10 respect to Mr. Cote, quite apart from the issue  
11 here. My comments, with respect to easements  
12 to him, were simply that there was a -- that  
13 there were facts in the market at that time,  
14 some of these facts that you mention here were  
15 obviously relevant to that, that determined,  
16 basically, the market value of these easements.  
17 And I didn't suggest that they foresaw the  
18 future. I'm just saying that easements get  
19 traded, people trade away rights in their  
20 property in a market, hopefully, on things like  
21 this they have counsel, and there's a market.

22 But I certainly didn't mean to imply, and  
23 I doubt if I did, that they foresaw the future  
24 uses of that easement. They should have

[WITNESS: Chalmers]

1 thought about it. I mean, that's a very  
2 relevant consideration when you sell rights on  
3 your property. But I have --

4 Q. Let me follow up on that. So, they should have  
5 thought about this. They expected to get power  
6 to their homes, their farms, their small  
7 businesses. There's a 115 kV line, substations  
8 were developed to bring that power into these  
9 homes and farms and businesses. The Northern  
10 Pass, sir, is a 320 kV, plus or minus, that  
11 means the voltage can go up to 600 volts and  
12 down to zero, DC line, with no local  
13 distribution capability. Are you saying they  
14 should have anticipated that?

15 A. No.

16 MR. CUNNINGHAM: Thank you, Mr.  
17 Chairman.

18 CHAIRMAN HONIGBERG: Ms. Schibanoff,  
19 you ready to go?

20 MS. SCHIBANOFF: Yes, sir.

21 CHAIRMAN HONIGBERG: Off the record.

22 *[Brief off-the-record discussion*  
23 *ensued.]*

24 MS. SCHIBANOFF: Dr. Chalmers, I'm



[WITNESS: Chalmers]

1 Susan Schibanoff. And I'm back here, okay? I  
2 am a *pro se* intervenor from the Non-Abutting  
3 Property Owner Bethlehem to Plymouth Group. We  
4 are a group of four residents who live just off  
5 116.

6 I'm going to join the crowd, with you  
7 and Attorney Cunningham, and tell you that I'm  
8 retired. I can still walk and chew gum, but I  
9 can't also run the ELMO machine at the same  
10 time. So, Gretchen Draper is going to help  
11 with that. Thanks.

12 Gretchen, if you could put up  
13 Exhibit 9 please.

14 BY MS. SCHIBANOFF:

15 Q. I want to follow a bit of the --

16 CHAIRMAN HONIGBERG: Wait. We're  
17 going to need to wait for those screens to come  
18 up.

19 MS. SCHIBANOFF: Oh. Sorry.

20 CHAIRMAN HONIGBERG: We need the  
21 ELMO. It's up now.

22 BY MS. SCHIBANOFF:

23 Q. I want to follow some of the line that Attorney  
24 Cunningham was on, not the legal part, but the

[WITNESS: Chalmers]

1 part that has to do with how the public out  
2 there is perceiving real estate values and  
3 reacting.

4 And the first exhibit that I've put up,  
5 for which I must apologize, the quality of it  
6 is very low. It's a screen capture. It's the  
7 best I could do. It is a past listing for a  
8 property in Stark, New Hampshire, 101 Molly  
9 Brook Drive, which sold on September 26, 2014.  
10 This is not the original listing. For some  
11 reason, this group "Movoto", is that the  
12 pronunciation of this group? "Contact Movoto"?  
13 Anyway, Movoto is still archiving this listing,  
14 and I accessed it last night on the Internet at  
15 the URL that you see at the top of the page.  
16 The original listing office was Bean Group,  
17 Portsmouth. What I want to draw your attention  
18 to is that this was listed by a Portsmouth  
19 realtor. I remember seeing the listing at the  
20 time. I don't recall her name. But, in any  
21 event, this was listed by an office in  
22 Portsmouth, presumably to a clientele that  
23 might be thinking about buying a property, a  
24 second home perhaps, in the North Country. And

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1 the line that I have underlined, in both black  
2 and yellow, I have also reproduced on the top  
3 of the exhibit here.

4 And I'll read the quote, and it starts --  
5 the section I want to highlight here is: "Easy  
6 to commute to Berlin, Lancaster or Colebrook.  
7 NOT located near proposed Northern Pass or it's  
8 view". I reproduced it verbatim, and that  
9 grammatical error bites, but that's what they  
10 wrote.

11 So, we have here a realtor who seems to be  
12 marketing to an audience that doesn't probably  
13 care whether it's 100 feet or not from the  
14 house, but cares that it's in the viewshed or  
15 could be in the viewshed, or at least that's  
16 this realtor's perception.

17 So, what I want to ask you, finally,  
18 here's by question, does this ad suggest that  
19 the public out there that buys first or second  
20 homes in the North Country doesn't make the  
21 fine distinctions that your study is making  
22 about market effects within 100 feet of a  
23 tower, it's the view, any view that is of  
24 initial concern? And does this possibly effect

[WITNESS: Chalmers]

1           whether or not a potential buyer will even go  
2           up and look at the property?

3   A.   Well, this is just a single example.  So, I'm  
4       not sure that it -- that we can draw any real  
5       conclusions from it.  Northern Pass is  
6       certainly a high-profile issue in the state.  
7       I've read a lot of MLS listings.  And I'm seen  
8       ones where, frankly, access to the right-of-way  
9       was mentioned in the listing as an asset of the  
10      property, access to snowmobile trails, that  
11      sort of thing.  So, I think you see a variety  
12      of things in the description.  I don't think we  
13      could really draw any conclusions from this,  
14      other than the fact that this broker thought  
15      that the location of this property, not being  
16      near the existing corridor, which is also the  
17      corridor in which -- for which Northern Pass is  
18      proposed, is an important thing to mention, you  
19      know, in one case.

20   Q.   You've probably read far more real estate  
21       listings than I have, although I've read a fair  
22       number in my life.  And it's typical to see a  
23       promotion of a property, in terms of its  
24       location, as being advantageous.  "Easy to

[WITNESS: Chalmers]

1 commute to Berlin, Lancaster or Colebrook."

2 Have you ever seen an ad that promoted a  
3 property that wasn't located near something?

4 A. Yes. I mean -- I mean, you see "secluded,  
5 remote property" kind of things, right?  
6 "Quiet", "remote", "no neighbors" kind of  
7 thing. I mean, you see -- I must say, you  
8 probably see just about everything out there at  
9 one time or another, if you read enough of  
10 them.

11 But sometimes you're promoting  
12 accessibility; sometimes you're promoting the  
13 absence of accessibility.

14 Q. Can you think of a specific example where a  
15 property was promoted because it wasn't next to  
16 something that is, apparently, in this case,  
17 perceived as a real stigma? Can you think of a  
18 specific example?

19 A. No, nothing comes to mind as I think about it.

20 Q. Okay.

21 A. I mean, typically, you're dealing with the  
22 positives, not the --

23 Q. Not the negatives?

24 A. Right.

[WITNESS: Chalmers]

1 Q. Okay. Thank you very much.

2 MS. SCHIBANOFF: Let's move on now  
3 please to Exhibit 10, Gretchen. And you can  
4 just slap that one face-down or face-up. Okay.  
5 It's multipage.

6 BY MS. SCHIBANOFF:

7 Q. I'll take a minute to explain it, if I may.  
8 This is my analysis of the 170 petitions to  
9 intervene that the SEC received, in late 2015  
10 and early 2016. In the chart -- I read them  
11 all and categorized them. In the chart, I  
12 indicate whether the petitioner opposes,  
13 supports, or is neutral/noncommittal on the  
14 Project. And, then, in the final column, I  
15 indicate whether the opponent petitioners make  
16 a reference, however small, and wherever it  
17 ranks in importance, to anticipated loss of  
18 property value from the Project, overhead or  
19 underground.

20 And I won't -- you're welcome to look  
21 through the eight or nine pages of my chart,  
22 but I'll ask you to accept my representation  
23 that, of the 170 petitions, 153 oppose the  
24 Project, 13 are in support, and 4 are neutral

[WITNESS: Chalmers]

1 or unstated. Not all these petitions were  
2 granted, of course, but many, many of them  
3 were, which is why you see so many people in  
4 the room over the last couple of days.

5 And, of these 153 petitions that oppose  
6 the Project, 101 raised the issue of  
7 anticipated lost property values. In other  
8 words, approximately two out of three opponent  
9 petitioners name "lost property value" as a  
10 reason for their intervention.

11 The question is coming, one more fact  
12 here. And 20 towns intervened on "property  
13 value" concerns, that was a concern they named.  
14 Whether it's right or wrong, they listed it as  
15 a concern.

16 So, if two-thirds of these 153 oppose  
17 petitioners in and 20 towns are worried about  
18 property values, and you say there is no  
19 measurable effect, are they all wrong?

20 A. No. It is a very real concern. And that's  
21 been my experience. That's the reason we've  
22 been working on it so hard for the last four  
23 and a half years, because it's an obvious  
24 concern, and it's an understandable concern.

[WITNESS: Chalmers]

1 And it's a tricky issue for, you know, the  
2 reasons we've talked about. Because we know,  
3 generally, the direction of the effect, but  
4 does it really materialize in market value  
5 effects? And we also have to try to separate  
6 out the perspective of individual property  
7 owners, who may simply, from their own  
8 subjective perspective, be very unhappy about  
9 having any change in their external  
10 environment, and the market perspective, which  
11 comes and looks at a property, and may respond  
12 to that change in the external -- they won't  
13 see it as a change, but they would see that  
14 external environment, and there wouldn't be any  
15 market effect. But that people are concerned  
16 about property value effects is certainly borne  
17 out by my experience over the last many years.

18 Q. Thinking about the ad that we started with, and  
19 thinking about the mentality of the petitioner,  
20 and many of them are in the room right now,  
21 does your Case Study approach and your  
22 conclusion of "no consistent measurable  
23 effects" capture what may be another feature  
24 that's occurring in the real estate market, and



[WITNESS: Chalmers]

1 that is people are not even willing to look at  
2 property near Northern Pass or, say, in what's  
3 possibly a stigmatized town, like Stark, are  
4 you capturing that effect? Is there any way to  
5 capture it, I guess I should ask to begin with,  
6 and are you doing so?

7 A. I don't know that -- you're really talking  
8 about the pool of potential buyers. And I  
9 don't know that there's any way that you can  
10 explicitly measure that. And real estate  
11 researchers wouldn't typically think of it in  
12 those terms. What they -- what they would  
13 recognize is that almost any development that  
14 we might mention or speculate about may very  
15 well either increase the flow of potential  
16 buyers or decrease the flow of potential  
17 buyers, and would never know by how much. But  
18 what we -- the indicator of that, should it be  
19 significant, will be that it will affect market  
20 value, right? So, --

21 Q. How do we know that? Or, how do you know that?

22 A. Well, what I'm saying is that there could be a  
23 small change in interest in Stark properties,  
24 so that there's a reduction in the buyer pool,

[WITNESS: Chalmers]

1 if you will, the pool of potential buyers. But  
2 all we can do is observe what happens to price  
3 in that market, which is what we're studying.

4 Now, if there's a large increase, and  
5 that's not an absolute number, but, if there's  
6 a large enough change in that pool, it will  
7 show up in market price. If there are a small  
8 change in that, it won't show up in market  
9 price. Okay? It will just mean that a few  
10 people didn't look you might otherwise have  
11 looked, but it's not material to the market.

12 So, when it becomes material to the  
13 market, then we get a change in price. And  
14 what we would infer from that is there's, you  
15 know, there's been a "thinning", sometimes it's  
16 referred to, a thinning of the buyer pool. But  
17 we would always come to a conclusion about that  
18 by looking at price, not by trying to  
19 somehow -- so, answering your question, I don't  
20 think there's really any way to get to the  
21 actual what the dimension of the thing is,  
22 except by its implication, which is whether or  
23 not market price is affected.

24 Q. Have you -- I mean, do you have an opinion on

[WITNESS: Chalmers]

1           whether there's been a "thinning" of the  
2           market?

3   A.   Yes.  I think -- I think proximity to a power  
4       line thins the market.  Yes.  I think there's  
5       good evidence to that effect.

6   Q.   Okay.  Thank you very much.  Could we move on  
7       now please to Exhibit 4, which is another of my  
8       own charts.  And I've titled it "Abutting  
9       Parcels, Underground Route, Bethlehem to  
10      Bridgewater", and I put "Preliminary" next to  
11      it.  So, I'm switching gears here for a minute  
12      now, Dr. Chalmers, to the underground portion  
13      of the route.

14  A.   Okay.

15  Q.   And I've labeled this "Preliminary", because  
16      the figures that I have assembled in the  
17      left-hand column under "Number of Abutting  
18      Parcels" is culled from two different sources  
19      that are on the record in this docket.  The  
20      first is Appendix K, "Parcel Landowner List",  
21      in the Northern Pass Transmission Application,  
22      Appendix 6ab.  And the second source for that  
23      column are the actual project maps.  And they  
24      don't agree.  The figures that I can hand count

[WITNESS: Chalmers]

1 from those two sources don't agree. There's a  
2 discrepancy between the two. And I think it's  
3 probably too late to make a data request and  
4 ask for these figures. But it may not be  
5 necessary, because all I want you to agree to,  
6 Dr. Chalmers, if you'll accept my  
7 representation, is that there are somewhere in  
8 the vicinity of a thousand abutting parcels on  
9 the 52.2 mile underground route from Bethlehem  
10 to Bridgewater. Would that surprise you, that  
11 in 52 miles, on both sides of the road, there  
12 could be that many parcels?

13 A. Yes. There certainly could be.

14 Q. Okay. Would you agree that that's a pretty  
15 significant number of parcels, in terms of the  
16 overall Project?

17 A. Back to "significant" again. Yes. I mean, it  
18 is what it is.

19 Q. In absolute numbers, it's significant?

20 A. It's a large number of parcels, yes.

21 Q. Okay. How many parcels are involved in the  
22 entire Project?

23 A. I don't have any idea.

24 Q. I'm afraid I can't make a data request for that

[WITNESS: Chalmers]

1 anymore, but maybe others can. So, I can't  
2 calculate what the -- what the percentage is,  
3 but we've got a significant number here. Okay.

4 And let's just hold that for a minute, as  
5 I talk for a second and get a verification from  
6 you on the chronology of your work. Correct me  
7 if I'm wrong, in June 30th, 2015, you filed  
8 your -- or, the Project filed for you your High  
9 Voltage Transmission Lines Research Report, is  
10 that correct?

11 A. That is correct.

12 Q. In August of 2015, the Project sponsors amended  
13 the Presidential Permit to include the 60-mile  
14 buried route. Is that correct?

15 A. That's my understanding, yes.

16 Q. Okay. In October -- on October 16th, 2015,  
17 your prefiled direct testimony was submitted.  
18 Is that correct?

19 A. Correct.

20 Q. And, on April 17th, 2017, your supplemental  
21 prefiled testimony was filed. Is that correct?

22 A. Yes, it is.

23 Q. And, in that last item, you updated your  
24 material to include analysis of the McKenna

[WITNESS: Chalmers]

1 project, I believe I heard you say?

2 A. McKenna's Purchase, yes.

3 Q. McKenna's Purchase, right.

4 A. Correct.

5 Q. And you did so because?

6 A. Because it had become an issue, intervenors had  
7 filed testimony with respect to that. And we  
8 had not addressed, up until that time, the  
9 condominium market.

10 Q. Did you update, in either of your testimonies,  
11 did you update to comment upon the underground  
12 route?

13 A. No. There was no need to -- as our testimony  
14 -- my testimony in both cases was the  
15 underground route was known, and that testimony  
16 is based upon the August 2015 understanding.  
17 The Research Report doesn't depend on any of  
18 the characteristics of the proposed Project.  
19 It is a analysis of residential real estate  
20 effects associated with existing high voltage  
21 transmission lines in New Hampshire. And, so,  
22 it wouldn't have been affected one way or the  
23 other by the change in the proposal. It didn't  
24 have anything to do with the proposal.

[WITNESS: Chalmers]

1 Q. Have you in any way whatsoever addressed the  
2 impact of an underground transmission, high  
3 voltage line, over 230 kV, on abutting real  
4 estate in the Northern Pass Project?

5 A. Only insofar as visibility is a critical part  
6 of our analysis and of my conclusions, and,  
7 obviously, the fact that a significant portion  
8 of the route is underground has an important  
9 implication with respect to visibility.

10 Q. Have you in any way addressed other possible  
11 impacts of a buried route, in a state road, on  
12 property values in the Northern Pass Project?

13 A. Not beyond visibility, no.

14 Q. Well, why have you not done that?

15 A. Because I don't see that there are any property  
16 value implications.

17 Q. Have you studied the literature?

18 A. Which literature?

19 MS. SCHIBANOFF: Gretchen, could you  
20 turn -- put on Exhibit 7 please.

21 BY MS. SCHIBANOFF:

22 Q. And we'll start with the first -- excuse me --  
23 first page, just to verify what it is, and then  
24 we'll go to the second page. This is also

[WITNESS: Chalmers]

1 taken from the Web.

2 And it concerns a joint  
3 Eversource/National Grid Project, that I think  
4 has recently been approved. I'm not quite sure  
5 whether it's got final approval, but I believe  
6 the permitting started in 2015, and it may be  
7 approved now. But I think the gentlemen on the  
8 front right could tell you more explicitly than  
9 I could.

10 In any event, this is a question-and-  
11 answer sheet, from May 27th, 2016, that's  
12 underlined in yellow on the top. And it  
13 concerns the "Woburn to Wakefield Line  
14 Project", excuse me. It's a 345 kV buried  
15 reliability line of some 9 miles.

16 MS. SCHIBANOFF: And if we could go  
17 to Page 2 [Page 13?] please.

18 BY MS. SCHIBANOFF:

19 Q. Highlighted in gray and bracketed in yellow,  
20 I'll read the question and the answer, which  
21 pertains to the question we're examining here,  
22 about whether Dr. Chalmers has looked at the  
23 research on this subject.

24 "Will having a high voltage transmission



[WITNESS: Chalmers]

1 line near my house reduce the value of my  
2 property? Answer: The new transmission line  
3 is proposed to be installed underground  
4 primarily in roadways and/or railways, not on  
5 private property. The Companies, and studies  
6 conducted by third-party experts, have not  
7 found any evidence or studies of measurable  
8 effects on real estate value due to proximity  
9 to underground transmission lines on property  
10 values."

11 So, my first question you've already  
12 answered, Dr. Chalmers, is that you are not one  
13 of the third-party experts, apparently, who  
14 conducted these studies?

15 A. That's correct.

16 Q. Okay. And the statement is rather ambiguous,  
17 in my reading, about what they actually found.  
18 It's not clear to me whether the studies  
19 haven't found any evidence or there aren't any  
20 studies. It's ambiguously written.

21 In any event, the point here is that  
22 apparently there is some body of literature out  
23 there concerning the effects of underground  
24 transmission -- high voltage transmission

[WITNESS: Chalmers]

1 lines, akin to Northern Pass, buried in state  
2 roads, which is also the case with this line.  
3 And we have two companies, Eversource and  
4 National Grid, reassuring people that it won't  
5 have any effect on the value of their property.

6 And my question is, why were these kinds  
7 of studies not done for Northern Pass?

8 MS. SCHIBANOFF: That's a rhetorical  
9 question, Mr. Chalmers. I don't expect you to  
10 answer it. I will leave the Committee with  
11 that.

12 Thank you. I'm done.

13 CHAIRMAN HONIGBERG: Mr. Walker?

14 MR. WALKER: Move to strike. There  
15 was no question with that long soliloquy.

16 CHAIRMAN HONIGBERG: Granted. That  
17 last soliloquy is struck from the record.

18 Ms. Draper, you're up.

19 MS. DRAPER: Well, actually, how  
20 about Mr. Stamp? Could we have him go first?

21 CHAIRMAN HONIGBERG: Sure.

22 MR. STAMP: Yes. We succeeded in  
23 confusing Pam on the order here. But --

24 WITNESS CHALMERS: Oh, I'm sorry.

[WITNESS: Chalmers]

1 Thank you.

2 MR. STAMP: I'm over here,  
3 Dr. Chalmers. Max Stamp. I'm with the Pemi  
4 River Local Advisory Committee. And I will be  
5 followed by Gretchen, as I just mentioned. We  
6 work basically with the towns along the river  
7 corridor, the Pemi corridor, 70 miles of Pemi,  
8 Franconia down to Franklin. And Northern Pass  
9 is pretty much a part of that entire watershed  
10 for the Pemi. So, that's one of our -- one of  
11 the reasons for our interest in the Project.

12 BY MR. STAMP:

13 Q. My questions pertain to the DC portion of the  
14 proposed transmission line, which runs from  
15 Pittsburg to Franklin, I believe. Are we  
16 together on the DC portion, of what territory  
17 it occupies?

18 A. So far.

19 Q. Okay. And the interest here is the decision to  
20 go underground for a portion of that DC line  
21 brought with it the need for high-capacity  
22 special cable. I think it's 345 kV, and I  
23 think that's approximately the voltage level.

24 But our discussion with you is primarily

[WITNESS: Chalmers]

1 related to the visual impact of Northern Pass.  
2 So, my questions are going to relate more to  
3 aboveground than underground. And aboveground,  
4 my rough estimate is approximately 50 percent  
5 of that DC line is aboveground, and maybe even  
6 a little more is below ground. So, this  
7 special cable, are you familiar with this  
8 special cable that's going to be deployed?

9 A. No.

10 Q. Do you have any idea what the diameter of that  
11 cable is?

12 A. No, I don't.

13 Q. Does that imply that the transmission line  
14 component is more or less irrelevant to your  
15 visual assessment and study?

16 A. Yes. Our visual assessment is focused on the  
17 structures. So, the conductor diameter  
18 wouldn't be material.

19 Q. Is there -- is there no diameter, conductor  
20 diameter, that would attract your attention?

21 A. No. It's just that, for our purposes, and  
22 again we're not doing extensive -- we're not  
23 doing a visual assessment, we're trying to  
24 identify the characteristics of the existing

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1 corridor and of the proposed corridor that  
2 would impact market decisions. And we also had  
3 to have operational definitions of  
4 "visibility", and the conductors were just too  
5 hard to deal with empirically. And, so, on the  
6 other hand, the -- and we think the market  
7 reacts primarily to structures. I think there  
8 would be some situations in which conductors  
9 might fashion in. But, generally, if the  
10 conductors are visible, then structures will  
11 have some visibility.

12 And, in any event, we focused on the  
13 structures, not on the conductors.

14 Q. If I told you the diameter of the conductor,  
15 the cable, was 6 inches, would that elevate  
16 your interest?

17 A. No. I think -- I think we'd still be focusing  
18 on the structures.

19 Q. If I indicated that it requires two 6-inch  
20 cables to fulfill the capacity requirement of  
21 what they're trying to do on this Project,  
22 side-by-side 6-inch diameter conductors, does  
23 that create any more interest on your part?

24 A. No. We had to have something that we could,

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1           you know, categorize and study. And, again, we  
2           were able to deal with structure visibility. I  
3           just don't see how we'd revise the approach to  
4           try to incorporate changes in conductor  
5           diameter. I'm not saying that's insignificant,  
6           I just don't know how you would operationalize  
7           that in the kind of market research that we  
8           were involved in.

9   Q.    Are you aware of the fact that the size and  
10       weight of this cable creates certain  
11       conditions, certain problems, sag being one of  
12       them in a reasonably high-temperature  
13       environment. To deal with the sag, they have  
14       had to raise the arms on the structures three  
15       to five feet. So, I get it that that part of  
16       the equation you would pick up in your  
17       assessment process?

18   A.    That's right.

19   Q.    But I guess what I continue to struggle with  
20       is, you know, this is, conjuring up a visual on  
21       this thing, this is the equivalent of stringing  
22       2-by-6 lumber, stringing it between structures.  
23       I mean, it's, you know, it's of that size and  
24       visibility. And I really have trouble

[WITNESS: Chalmers]

1 understanding why, in this case, that doesn't  
2 become a component of your -- of your process?

3 A. Now, I think, you know, maybe the easiest way  
4 to think about it is, I think anyone willing to  
5 live next to 2-by-4s, is probably going to be  
6 willing to live next to 2-by-6s. There's a  
7 certain part of the population that isn't --  
8 or, of the buyer population that isn't  
9 interested in being close to the transmission  
10 line corridor in any event. The kind of  
11 marginal change you're talking about I don't  
12 think is going to change the buyer pool.  
13 You're not going to have people saying "Gee, I  
14 would have bought that house if the conductors  
15 had only been four inches in diameter, but now  
16 they're six."

17 Q. Well, this elevated, the aboveground segment of  
18 this thing affects five or six towns, basically  
19 runs through five or six towns. It also is an  
20 element out on I-93, our major north-south  
21 artery, and particularly between Exit 23, which  
22 is around Bristol, all the way up through  
23 Ashland. Don't know whether you're familiar  
24 with that segment or not. But the aboveground

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1 lines run in several places fairly close to  
2 I-93, a lot of traffic on that highway and so  
3 forth. It's our opinion that --

4 CHAIRMAN HONIGBERG: Mr. Stamp?

5 MR. WALKER: Objection. This is --

6 CHAIRMAN HONIGBERG: Mr. Stamp?

7 MR. STAMP: Yes.

8 CHAIRMAN HONIGBERG: You need to ask  
9 a question, not state your opinions right now,  
10 please.

11 BY MR. STAMP:

12 Q. I think my question would be, whether or not a  
13 gateway highway, like I-93, would be more  
14 affected maybe than other areas of what you  
15 look at?

16 A. Yes. That's just not an area of my  
17 investigation. I'm looking solely at market  
18 value of residential properties. Well, or real  
19 estate markets in general. But not the sort of  
20 general viewshed issues that you're raising.

21 MR. STAMP: Yes. I guess I'm  
22 slipping into the tourist aspect of this thing,  
23 which probably is an element of the process.

24 But that's all the questions I have.



[WITNESS: Chalmers]

1 Thank you, sir.

2 CHAIRMAN HONIGBERG: All right. I  
3 have no one else listed from the intervenor  
4 groups to ask questions, is that correct?

5 Oh, we're doubling up?

6 MS. DRAPER: Yes.

7 MR. STAMP: Yes.

8 MS. DRAPER: We've done this before.

9 CHAIRMAN HONIGBERG: It would be very  
10 helpful if you would clearly communicate your  
11 intentions before.

12 MS. DRAPER: Excuse us. I thought we  
13 did.

14 CHAIRMAN HONIGBERG: And there may  
15 have been a misunderstanding.

16 You may proceed, Ms. Draper.

17 MS. DRAPER: Thank you. I won't take  
18 long.

19 All right. I'm Gretchen Draper. I'm  
20 also with the Pemigewasset River Local Advisory  
21 Committee.

22 BY MS. DRAPER:

23 Q. I'm very interested in how people come to work  
24 for this Project. So, were you contracted by

[WITNESS: Chalmers]

1 the -- contacted by the Company, Northeast  
2 Utilities or whomever it was at that time, or  
3 did you bid on this job?

4 A. No. I was contacted by a representative of the  
5 Company, by an employee of the Company.

6 Q. Uh-huh. And I was interested also, you retired  
7 in 2002, your Research -- the Research Report  
8 that you are writing, you have had that  
9 published in, you know, I was looking in 2009  
10 there was some articles that you published.  
11 So, you've been working on this research  
12 project, your Research Report for many years,  
13 is that right?

14 A. No.

15 Q. No.

16 A. This document, this Research Report, when we  
17 use that term, I think, in these proceedings,  
18 we want to be specific, that's the June 2015.

19 Q. Okay.

20 A. Now, we've done research in other areas of the  
21 country, and some of that research is  
22 published. But the New Hampshire research  
23 began in 2013.

24 Q. Fine. And have you used, I'm just thinking of

[WITNESS: Chalmers]

1 having one opus sort of thing, your Research  
2 Report, have you used parts of this Research  
3 Report in other states, other areas or --

4 A. No. This, the work that I've done in this  
5 matter --

6 Q. Is that one.

7 A. -- is real estate markets in New Hampshire, and  
8 has been applied only to New Hampshire.

9 Q. Okay. Thank you. My next question, I'm always  
10 interested in people's parameters or maybe even  
11 limitations, what you've chosen to study. And  
12 I just wanted to go down a list of things that  
13 you did not study. And you can tell me "yes"  
14 or "no", if I'm correct.

15 A. Okay.

16 Q. Okay. So, you said you're not a visual expert?

17 A. That's correct.

18 Q. All right. You did not take topography into  
19 consideration, that was not one of the --

20 A. No. Topography would have entered in to my  
21 assessment of whether things were visible or  
22 not, as would vegetation.

23 Q. Uh-huh.

24 A. You know, you're looking at what's out there,

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[WITNESS: Chalmers]

1 which includes topography, obviously.

2 Q. Right. What, I guess I'm thinking of  
3 yesterday, you were talking with someone saying  
4 that topography and vegetation were not part of  
5 your -- part of your conclusion, perhaps? What  
6 would that have to do with --

7 A. No, that's out of context.

8 Q. Uh-huh.

9 A. In assessing, in the assessment that I did of  
10 visibility, which had a very specific purpose,  
11 anything which affects the visibility of either  
12 the existing structures or my impression or my  
13 conclusion with respect to visibility of the  
14 proposed structures would be incorporated. So,  
15 you know, vegetation, topography would be  
16 critical.

17 Q. All right. And what about considering  
18 different perspectives, different angles of the  
19 towers from a property?

20 A. Yes.

21 Q. Yes. You did come to the conclusion that tower  
22 heights didn't matter, in sort of the people's  
23 decisions whether or not to purchase a house.  
24 Is that true?

[WITNESS: Chalmers]

1 A. Tower heights are obviously critical to  
2 visibility.

3 Q. Right.

4 A. They're probably the dominant consideration.

5 Q. Uh-huh.

6 A. There is a conclusion that relates to tower  
7 height that we discussed, which is an entirely  
8 different subject.

9 Q. What did -- could you help me understand that?  
10 What was the other subject that tower heights  
11 had to do with?

12 A. Was that the issue was structure visibility, as  
13 we defined it, and its categorization as either  
14 clearly visible or not. And, once it had been  
15 categorized as "clearly visible", it didn't  
16 matter whether it was a 60-foot structure that  
17 was clearly visible or and 80-foot structure  
18 that was clearly visible.

19 Q. All right. Exactly. I guess that's exactly  
20 what I was thinking of when you said "tower  
21 heights didn't matter", but you've given that  
22 kind of context to it. Thank you.

23 You also chose to study single-family  
24 dwellings/detached in the beginning, and then

[WITNESS: Chalmers]

1 later added condominiums, when they turned up  
2 to be an issue?

3 A. That's right.

4 Q. You're not tracking changes in the Project now,  
5 is that right? You're not tracking if there's  
6 a change in where towers are placed, things  
7 like that?

8 A. Well, the reports are all dated.

9 Q. Right.

10 A. And they reflect my best understanding as of  
11 those dates. But, as a practical matter, I'm  
12 not tracking the day-to-day change -- well,  
13 those reports haven't been revised in response  
14 to whatever changes in the engineering plans  
15 may have evolved since that time.

16 Q. Uh-huh. Well, and also, as we just talked, you  
17 didn't consider conductor spans in part of your  
18 study. You look at probability of future  
19 market values, is it probability that is your  
20 main focus? Future --

21 A. Yes. I would -- the conclusion, I think, is  
22 most usefully thought about as a likelihood or  
23 a probability that we've identified -- we've  
24 looked at a number of cases, and, based on

[WITNESS: Chalmers]

1           that, we can say that some categories of  
2           properties have a much higher likelihood of  
3           effect of the Project than others.

4   Q.    Okay.  And you did not interview actual buyers  
5           and sellers, you interviewed brokers, is that  
6           right?

7   A.    Generally, brokers.  Occasionally, an occupant,  
8           it would typically be the buyer, would have  
9           been interviewed.  But it was -- generally, it  
10          was the listing broker.

11   Q.    Uh-huh.  And did you survey any reasons people  
12          -- or, did you read any of the research either,  
13          on why people may be reluctant to purchase a  
14          home, a single-family home, that would be in  
15          close proximity to a right-of-way or to these  
16          HVTL lines?

17   A.    I'm sorry, could -- what was the beginning of  
18          that?

19   Q.    Sure.  I'm wondering if you had had any -- if  
20          you asked any surveys or if you looked at the  
21          research of why people would be reluctant to  
22          buy a home?

23   A.    Well, we did not do any surveys.

24   Q.    Uh-huh.

[WITNESS: Chalmers]

1 A. Okay? There was no primary research. I did  
2 report in the survey the literature on six, I  
3 believe, of the articles that discuss survey  
4 research.

5 Q. Right. I was wondering about things like  
6 health concerns or noise, medical concerns?

7 A. What about them?

8 Q. Well, did you -- you looked at -- I'm looking  
9 at the reasons people might not want to buy a  
10 house in that area. Are those included in the  
11 survey, the information you looked at?

12 A. Yes.

13 Q. Uh-huh. Did you include properties, you know,  
14 single-family homes that were purchased by  
15 agents of the Northern Pass Transmission,  
16 Renewable Properties?

17 A. Not to my knowledge. If it was a company-owned  
18 property, we wouldn't have -- we wouldn't have  
19 studied it.

20 Q. Studied it, uh-huh. And what did you -- you  
21 used the phrase "the only leverage is when a  
22 property is sold". Could you explain that to  
23 me?

24 A. Well, I'm not quite sure what the context of



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1 that was. I think the basic point is that the  
2 only evidence that really gets to the heart of  
3 the issue is to compare a property that is  
4 sold, which is impacted by whatever it is that  
5 you're interested in, and compare it to the  
6 value of properties that aren't affected by  
7 whatever it is that you're interested in. So,  
8 without a sale, it's very hard to -- it's  
9 fundamentally impossible to get to the heart of  
10 the matter.

11 Q. Uh-huh. And what would be your tipping point?  
12 I'm thinking of critical mass. So, out of your  
13 case studies, you had 11 that you are concerned  
14 of the 89. When does that sort of go into, you  
15 know, a more critical stage that you might go  
16 back and look at something different?

17 A. I don't understand the question.

18 Q. All right. Well, I'm just thinking that  
19 there's a lot here in this Project that is not  
20 done yet, things change all the time. It's not  
21 permitted. And I'm wondering if what kind of  
22 change, you know, how many of a case study, you  
23 know, would it have to be, you know, half of  
24 the 89 for you to go back and say "well, let's

[WITNESS: Chalmers]

1 look at this a little deeper, let's look at it  
2 in a different way"?

3 A. Well, first of all, the case studies have  
4 nothing to do with the Project.

5 Q. Okay. Would you explain that to me.

6 A. Yes. The case studies are studies of homes  
7 that either abut or are encumbered by existing  
8 transmission lines in New Hampshire.

9 Q. Right. And they are, for the most part, going  
10 to be, if they get permitted, part of Northern  
11 Pass. I would have thought you would have  
12 considered that, no?

13 A. Well, "Corridor Number 2", as we defined it,  
14 had case studies that --

15 Q. Right.

16 A. Right.

17 Q. I'm sorry. I'm really thinking about the  
18 Northern Pass corridor.

19 A. And, so, what's the question? So, I mean,  
20 that's all the sales there were. I mean, we  
21 looked at every sale. I don't think there's  
22 any reason -- I mean, what else would you do?  
23 There weren't any more sales to study. We  
24 studied them all. We could have gone back into

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[WITNESS: Chalmers]

1 2007/2008, but then we get into the real estate  
2 recession. So, I --

3 Q. I guess I'm looking forward as well. So, you  
4 don't intend to change your report or to be --  
5 is your work pretty much done, is that right?

6 A. You mean, am I going home tomorrow?

7 Q. I don't know. No, you've got all your friends  
8 over here, you know.

9 A. They'll be okay.

10 Q. All right. All right. I'm not worried about  
11 you being -- going home tomorrow.

12 Do you consider your work done or you're  
13 not going to be adding any more research or  
14 participating?

15 A. Well, you never know on this Project. But, at  
16 the moment, there is no ongoing research, and,  
17 at the moment, there is none contemplated.

18 Q. Okay. So, I think this kind of -- this really  
19 comes to my last point. What's your definition  
20 of the word "conjecture"?

21 A. It's pretty close to "speculation".

22 Q. Uh-huh.

23 A. I mean, it's thinking --

24 Q. All right.

[WITNESS: Chalmers]

1 A. -- out-of-the-box a little bit.

2 Q. All right. So, the way I -- when I looked it  
3 up, it says "forming a decision or coming to a  
4 conclusion of incomplete information". And  
5 were your conclusions so much, of going for the  
6 Northern Pass Project, really, we don't have  
7 all the information yet on the Project. We  
8 don't know about the date of homes that will  
9 actually be sold in the future. We don't have  
10 the availability of comparable homes with no  
11 right-of-way. So, you've always taught, you  
12 know, the probability, you know, this is what  
13 much of your model is based on.

14 So, I guess my question is, would you --  
15 this is why I'm asking about critical, you  
16 know, mass. You know, when does it make you  
17 take pause to look at a project, that much of  
18 what's going to be proven or disproven would be  
19 in the future, what are we intervenors or the  
20 SEC to do with that?

21 A. I don't know, wait and see what happens.

22 Q. All right.

23 A. You know, all we can do is analyze the past,  
24 right?

[WITNESS: Chalmers]

1 Q. Uh-huh.

2 A. That's all we got. And then we can, you know,  
3 do that as carefully, reliably, as responsibly  
4 as we can.

5 Q. Uh-huh.

6 A. And, depending on what you find, develop  
7 conclusions, tease out the implications of that  
8 as you see it, kind of depending on what you  
9 find. Those conclusions may be broad and kind  
10 of iffy, or they may be very pointed and  
11 precise. I've tried to do that. And then --

12 Q. And what was your conclusion? Excuse me.

13 A. And then there's a future out there, and, you  
14 know, you see what happens.

15 Q. And your conclusion was, what would you say?

16 A. My conclusion is that there is a small group of  
17 properties, very small, dozen or two, dozen,  
18 plus or minus a few, that will be vulnerable to  
19 a market value effect due to the Project. But  
20 that would not rise or even begin to rise to  
21 the level of a discernible effect in markets,  
22 in either local or regional real estate  
23 markets.

24 MS. DRAPER: All right. Thank you.

[WITNESS: Chalmers]

1 That's all I have.

2 CHAIRMAN HONIGBERG: All right. Now,  
3 I think we're done with intervenors. Am I  
4 correct?

5 *[No verbal response.]*

6 CHAIRMAN HONIGBERG: Okay. Let's go  
7 off the record for a sec.

8 (Chairman Honigberg and SEC  
9 Subcommittee members  
10 conferring.)

11 CHAIRMAN HONIGBERG: All right.  
12 We're going to start with the Subcommittee  
13 questions.

14 Mr. Oldenburg.

15 MR. OLDENBURG: Thank you, Mr.  
16 Chairman.

17 Dr. Chalmers, my name is Bill  
18 Oldenburg. I actually represent the Department  
19 of Transportation. And, so, I'm not a lawyer,  
20 not an appraiser.

21 BY MR. OLDENBURG:

22 Q. One of the questions, and I think Attorney  
23 Manzelli hit on it, that I'd like to talk about  
24 is the portion of your report about commercial

[WITNESS: Chalmers]

1 and industrial properties.

2 A. Okay.

3 Q. When I read that, the very first line, and,  
4 just for the record, I'm looking at Page 10 of  
5 your report, Section 2.3. You don't have to  
6 find it, but "The literature studying the  
7 effects of HVTL on commercial/industrial  
8 properties is very limited." So, like any good  
9 research, you do a literature search first and  
10 you find studies on the topic. So, you found  
11 two that you quote, a Chapman study from 1985,  
12 and then a Jackson, Pitts, Norwood study of  
13 2012, and you used those through your report.  
14 So, and you know those reports, and you've read  
15 them, I'm assuming that's why you've used them?

16 A. Correct.

17 Q. Correct. So, the Chapman report in 1985, you  
18 state that "reports on his extensive personal  
19 experience as an appraiser in northern  
20 California, Nevada, and Utah." So, his  
21 "extensive personal experience". So, did his  
22 study just include appraisals that he did or  
23 did he gather from other folks?

24 A. I don't think they're even appraisals. I think

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1           these are simply instances or cases that he's  
2           aware of. I think he's done research on it.  
3           My guess is that he's just talked to  
4           developers, observed developments, and has  
5           dealt with the issue, apparently, fairly  
6           frequently.

7                         But I didn't get the impression, from his  
8           writing, that they had been formal case studies  
9           or formal, it was more interview-based, would  
10          be my guess.

11         Q.    Okay. All right. And, then, the Jackson,  
12               Pitts, Norwood study basically was the "effects  
13               on commercial/industrial property in  
14               Wisconsin". So, it was limited to Wisconsin?

15         A.    Right. And that was formal. They did a little  
16               statistical analysis, and they also basically  
17               did a couple of case studies.

18         Q.    Have you ever -- so, this was all of the  
19               research that was available, all the studies  
20               that were available on this topic?

21         A.    I think that's all there is out there.

22         Q.    Okay. And you've never done a study on the  
23               effects of commercial properties?

24         A.    No. I've been, you know, in this for a long,



[WITNESS: Chalmers]

1 long time. It's just not an issue that comes  
2 up. Because the only way it would come up is  
3 if the actual easement constrains the way in  
4 which the property can be developed. Nobody  
5 has ever suggested that you can't get the same  
6 rents, nobody has suggested that you won't have  
7 the same occupancy.

8 Q. Uh-huh.

9 A. It's just that, if there's a physical effect of  
10 the easement on the developability of the  
11 parcel, either through a coverage ratio or  
12 floor area ratio, then you'd affect the  
13 income-producing potential of the property.  
14 That would definitely affect the value of the  
15 property.

16 Q. Okay.

17 A. But, you know, and again, I've been around  
18 these -- all of these researchers. Jackson is  
19 one of my former junior colleagues. And it's  
20 just never -- never been an issue, and we've  
21 been around it enough that I just don't think  
22 it is an issue.

23 Q. Okay. So, you touched a little bit about it.

24 So, Chapman's opinion was that "there was no

[WITNESS: Chalmers]

1 concerns with aesthetics", and "he's never  
2 found any effects on rents or the marketability  
3 of commercial/industrial properties."

4 So, I read into that to say that, if there  
5 was an HVTL line outside this building, that it  
6 wouldn't affect --

7 A. Precisely.

8 Q. -- the rents or the marketability of this type  
9 of building?

10 A. Precisely.

11 Q. And, then, the Jackson, Pitts and Norwood  
12 study, they looked at, let's see, "they first  
13 report a regression analysis of 123 sales and  
14 are able to control", I'm assuming by  
15 "control", they're able to look at, for all  
16 these studies, these controlling  
17 ingredients, --

18 A. Yes.

19 Q. -- which are the "year of sale, gross floor  
20 area, building age, square footage of office  
21 space, sprinkler system, number of dock high  
22 doors", which I interpret to mean "loading  
23 docks", is that a fair assumption?

24 A. (Witness nodding in the affirmative).

[WITNESS: Chalmers]

1 Q. "Location and category" -- "categorical  
2 variable indicating", I'm not sure what that  
3 means, "whether the property was within", okay,  
4 "within 500 feet of an HVTL."

5 So, I read that as this type of building.  
6 So, sprinkler systems, loading docks, I'm  
7 thinking of a real commercial building that has  
8 maybe, or industrial building, that has --  
9 that's not so much outward-facing, it's more  
10 what people do in the building. They're not so  
11 concerned about the view.

12 And I think you can tell where I'm going.  
13 So, a campground, a hotel, a bed-and-breakfast,  
14 those are all considered "commercial  
15 properties", correct? But I don't -- these two  
16 studies didn't take those type of properties  
17 into account?

18 A. Right. There's no literature on that that I'm  
19 aware of.

20 Q. Okay. And, basically, your conclusion sort of  
21 reemphasizes that, that there's no evidence of  
22 the marketability or rents on a property, and  
23 it talks about the constraint of developing it,  
24 the only constraint really is if the line

[WITNESS: Chalmers]

1           constrains the ability to develop a property.  
2           So, an encumbered property, you might not be  
3           able to develop the whole property, you might  
4           limit the development size.

5                        So, I guess we heard evidence, I think  
6           Attorney Cunningham talked about the Percy  
7           development, which is a commercial campground.  
8           And they don't rent, they don't -- they're  
9           there for the view. I think there's a lot of  
10          other places that are here because of the view.

11                       CHAIRMAN HONIGBERG: Mr. Oldenburg,  
12          what's your question?

13 BY MR. OLDENBURG:

14 Q.       And how does that affect -- so, that didn't  
15       come into play in any of this analysis,  
16       correct?

17 A.       Yes. I wouldn't say that that -- that the  
18       brief attention to commercial/industrial from  
19       the literature would address the campground  
20       issue. I think I answered the campground issue  
21       as best I could, which is it's a very  
22       specialized little market segment. That has  
23       its own supply-and-demand relationships, and  
24       you'd have to understand those. And then you'd

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1 have to understand whether some change in the  
2 external environment would impact that. And I  
3 simply haven't done any research on that.

4 I would think you'd have to have, you  
5 know, some fairly significant demand changes of  
6 the sort that Mr. Nichols was asked to address  
7 for that to occur.

8 Q. And that was brought up before about Mr.  
9 Nichols. And the one thing that struck me is  
10 he didn't -- he admitted he didn't study  
11 individual properties either. He did a  
12 regional analysis. And, so, he didn't look at  
13 any of these properties individually to see  
14 whether there would be an effect on the  
15 tourism, if I'm remembering correctly.

16 And, so, you didn't review these  
17 individual properties to see whether or not  
18 there would be an effect. So, I feel it's sort  
19 of a segment of the properties weren't reviewed  
20 at all, either for tourism or for property  
21 value impacts.

22 A. Well, I think with the tourism, you'd start at  
23 the regional level, right? I mean, the scope  
24 of looking at individual properties, you know,

[WITNESS: Chalmers]

1 over the whole corridor, would be pretty  
2 overwhelming. So, you would start with, as he  
3 did, with, you know, at the regional level,  
4 "are the tourism flows going to be impacted?"  
5 And, then, I think, to the extent that you  
6 found significant effects, you know, maybe  
7 you'd then begin to dive into various segments  
8 that, you know, where that effect might show  
9 up.

10 But his analysis certainly wasn't at the  
11 property-specific level, and nor was mine,  
12 fundamentally. I mean, we did study individual  
13 properties, but only to make generalizations,  
14 not to make predictions about the effect on  
15 individual properties.

16 Q. Would you agree that a -- that for a commercial  
17 property, such as a campground or a hotel or a  
18 bed-and-breakfast, that if the line was, say,  
19 more viewable, even though it was outside of  
20 100 feet, because the 100 feet used for  
21 residential, but a commercial property, even if  
22 it was 500 feet away, but was in a view, could  
23 that affect the property value?

24 A. It certainly is possible. I mean, if you had

[WITNESS: Chalmers]

1 competing campgrounds, the external  
2 environment, generally speaking, water, views,  
3 highway noise, you know, all the various  
4 characteristics would -- you know, could impact  
5 its competitive position, sure.

6 MR. OLDENBURG: Okay. All right.  
7 That's all I have.

8 CHAIRMAN HONIGBERG: All right. Why  
9 don't we take our lunch break. We'll come back  
10 at 1:15.

11 (Lunch recess taken at 12:18  
12 p.m. and concludes the **Day 26**  
13 **Morning Session**. The hearing  
14 continues under separate cover  
15 in the transcript noted as  
16 **Day 26 Afternoon Session ONLY**.)

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**C E R T I F I C A T E**

I, **Steven. E. Patnaude**, a Licensed Shorthand Court Reporter, do hereby certify that the foregoing is a true and accurate transcript of my stenographic notes of these proceedings taken at the place and on the date hereinbefore set forth, to the best of my skill and ability under the conditions present at the time.

I further certify that I am neither attorney or counsel for, nor related to or employed by any of the parties to the action; 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.

---

Steven E. Patnaude, LCR  
Licensed Court Reporter  
N.H. LCR No. 52  
(RSA 310-A:173)