



Northern Pass Transmission, LLC.
P.O. Box 330
780 North Commercial Street
Manchester, NH 03105-0330

February 24, 2017

REGISTERED MAIL

Board of Selectmen
Town of Allenstown
16 School Street
Allenstown, NH 03275

Dear Selectmen,

In an effort to keep you informed of the latest developments in the Northern Pass permitting process, I have attached our recent project newsletter. Last year saw significant progress for Northern Pass in both the state and federal permitting processes. In 2017, we expect to see final decisions from the U.S. Department of Energy and the NH State Site Evaluation Committee.

Northern Pass will provide a number of benefits to New Hampshire communities, including lowering electricity rates for businesses and residents alike; adding clean hydropower to help diversify our energy supply; local jobs during construction; and substantial tax revenue to host communities.

Attached you will find our most recent estimated taxable investment for Allenstown*. Key information includes:

Estimated first year taxable investment by Northern Pass: **\$22.3 million**

Estimated first year municipal and local school tax payment: **\$611,814**

As with similar infrastructure projects, the taxable life of the project is expected to extend well beyond twenty years, but it is difficult to accurately estimate taxable investment beyond that timeframe. Please see the attached illustration of property tax payments in Allenstown over the next 20 years. It should also be noted that tax rates are determined by the town and change annually. Because of this, actual tax payments may vary from the estimates provided.

As with other communities along the proposed route, Northern Pass is willing to offer a tax agreement to your town to provide further certainty regarding tax payments and avoid potential tax abatements in the future. In addition, the project will work together with Allenstown and other host communities to reach agreement on avoiding and minimizing construction related impacts and inconveniences that may be a concern of local residents and business owners.

Thank you for taking the time to consider this information, and please feel free to contact us at 1-800-286-7305 if you have further questions.

Sincerely,



Jerry Fortier
Project Director - Transmission

*Actual tax payments and tax savings in Allentown would depend upon the actual cost of the project, fair market value of all property in your community, and your local spending decisions, over time, and may be substantially different from the scenario modeled here. Please refer to NH SEC Docket No. 2015-06, Joint Application for Certificate of Site and Facility, Appendix 44 for a detailed discussion and simulations of property tax payments by community using a range of assumptions about the cost of the project and local tax and spending conditions over time.

Attachments: 1. Allentown depreciation schedule
2. January Newsletter



Allenstown

Illustration of Northern Pass Transmission Local Property Tax Payments Over First 20 Years of Operation

The illustrative example below is based on the current cost estimate of NPT for your community, an annual depreciation rate of 2.5 percent, and a range for growth in the tax rate in the community. It is simulated over 20 years, and defines local tax payments to include municipal plus local education. County and utility education property taxes are estimated separately. The cost estimates do not include costs for land or rebuilding existing infrastructure. **The first year estimated tax payment below is based on one simulation within a range of outcomes.**

Actual local tax payments will depend upon the actual final cost of the project in each community and its fair market value, municipal and education spending, other sources of revenue, and the relevant total tax base for any given tax year **and may differ from the scenario modeled here.**

Year	Illustrative Value of NPT	Illustrative NPT Local Property Tax Payments Range
2019	\$22,376,016	\$611,814
2020	\$21,816,615	\$602,484 - \$608,449
2021	\$21,257,215	\$592,906 - \$604,705
2022	\$20,697,814	\$583,076 - \$600,568
2023	\$20,138,414	\$572,991 - \$596,023
2024	\$19,579,014	\$562,645 - \$591,056
2025	\$19,019,613	\$552,035 - \$585,652
2026	\$18,460,213	\$541,157 - \$579,795
2027	\$17,900,812	\$530,006 - \$573,470
2028	\$17,341,412	\$518,577 - \$566,660
2029	\$16,782,012	\$506,868 - \$559,349
2030	\$16,222,611	\$494,872 - \$551,518
2031	\$15,663,211	\$482,585 - \$543,150
2032	\$15,103,811	\$470,004 - \$534,227
2033	\$14,544,410	\$457,122 - \$524,729
2034	\$13,985,010	\$443,936 - \$514,638
2035	\$13,425,609	\$430,440 - \$503,934
2036	\$12,866,209	\$416,630 - \$492,595
2037	\$12,306,809	\$402,501 - \$480,602
2038	\$11,747,408	\$388,048 - \$467,931

January 2017



LOOKING AHEAD TO 2017

The coming year will bring two major decisions regarding the Northern Pass project. The New Hampshire Site Evaluation Committee (SEC) will hold adjudicative hearings in the spring and is expected to make a final decision on the project in mid to late summer. The U.S. Department of Energy (DOE) is expected to release its final Environmental Impact Statement (EIS) this year, as well. With these major milestones ahead, the project will continue discussions with landowners, residents and businesses along the route to keep them aware of developments as the permitting process moves towards completion.

SEC HEARINGS TO BEGIN IN APRIL

Adjudicative hearings are the last step in the SEC approval process. During these formal legal hearings, which are similar to those you might find in a court of law, information will be presented by Northern Pass and project experts to the SEC, including data on benefits, construction procedures, environmental impact and other aspects of the project. Witnesses for the Counsel for the Public and interveners will also provide testimony at this stage.

At the conclusion of the adjudicative hearings, the SEC will decide whether to grant the project a Certificate of Site and Facility, taking into consideration the testimony received and comments from the public.

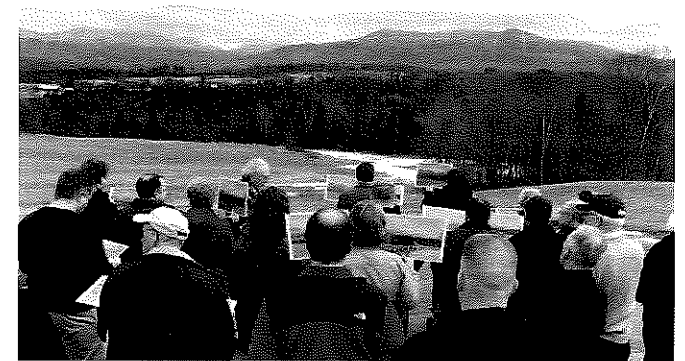
FINAL EIS EXPECTED FROM DOE

The DOE is expected to issue its final Environmental Impact Statement (EIS) on Northern Pass sometime in 2017. The final EIS is based on information in the draft EIS issued in July 2015 and feedback the agency received on the draft as supplemented in November 2015.

The final EIS is a public document that reflects extensive analysis and research conducted by the DOE, and includes a detailed summary of possible environmental impacts of the project along the proposed route and an analysis of a number of alternative routes. This analysis is required prior to issuing the Presidential Permit that will allow the transmission of electricity across the U.S.- Canadian border.

A GROWING NEED

Gordon van Welie, the head of the regional grid operating system, ISO New England, recently highlighted the changing nature of our electric grid. Because of the retirement of older power plants, the region's growing reliance on natural gas for generating electricity, and



New Hampshire Site Evaluation Committee members and interveners tour the proposed Northern Pass route in March 2016.

meet the ever-increasing demand for natural gas to heat homes and businesses and to generate the power that lights those homes and businesses, we see a future with challenges that may require the ISO to employ suboptimal solutions," van Welie said. Those "suboptimal solutions" include higher prices for consumers and an increase in carbon emissions.

High electricity costs are another issue elected officials seek to tackle in 2017. Incoming New Hampshire Governor Chris Sununu urged policymakers to look at all energy solutions, including adding new sources of power.

"Whatever we do we're focusing on, how is this going to drop rates for consumers, for individuals, for businesses? That has to be our primary focus, and then we'll have tangible results," Sununu said, according to the *Portsmouth Herald*. "This is an all-the-above whether we're talking about the Northern Pass

2016: A YEAR OF PROGRESS

Last year was a landmark year for Northern Pass, during which the project reached a number of milestones that will be key in the effort to gain final approval in 2017. Some of the highlights include:

- **ISO New England officially determined in July** that Northern Pass can reliably interconnect with the regional electric grid. By approving the project's I.3.9 application, ISO New England determined Northern Pass will not have a significant, adverse effect on the reliability or operating characteristics of the regional grid and its participants.
- **The New Hampshire Public Utilities Commission (PUC) decided in October** that Northern Pass has the technical, managerial and financial expertise to operate as a public utility, and that it is in the public good for the project to do so. Northern Pass also committed to provide \$20 million (\$2 million a year for 10 years) for programs or initiatives approved by the PUC that advance clean energy innovation, community betterment, and economic development in New Hampshire, including energy efficiency programs.
- **Eversource and Hydro-Québec reached a significant agreement** that ensures Eversource customers in New Hampshire will receive a substantial supply of clean energy from the Northern Pass hydroelectric transmission project. In addition to the hundreds of million dollars to electric customers throughout New Hampshire and New England, the power purchase agreement, or PPA, will reduce price volatility for Eversource customers.
- **Northern Pass announced in April** the major contractors and material suppliers who will participate in the construction of the Northern Pass transmission line once the project receives its state and federal permits. Northern Pass contractors also conducted field work along the proposed route, including soil boring tests to log soil characteristics, as well as shovel test sampling for historical artifacts, as required under the National Historic Preservation Act, Section 106 process and by the SEC.

Stay Up-To-Date on Northern Pass

We have a number of ways for you to stay informed on the latest Northern Pass developments as the project moves through the permitting process. In addition to mailing this monthly newsletter to all landowners along the route and other stakeholders, we have a comprehensive website (www.northernpass.us) that includes detailed maps, view simulations, information about project benefits, environmental information and details about the project in each community along the route. Our website also includes the Northern Pass "Project Update" blog, where we post project and energy news updates regularly.

Northern Pass is committed to staying engaged with those interested in the project. We regularly post news, links, videos, and other energy information on social media, including Twitter, Facebook and YouTube. As always, you can reach out to our hotline via email or phone.


 **Project Journal:** <http://blog.northernpass.us/>

 **Facebook:** www.facebook.com/thenorthernpass/

 **Twitter:** <https://twitter.com/TheNorthernPass>

 **YouTube:** www.youtube.com/user/NorthernPassUS

 **Email:** info@northernpass.us

 **Phone:** 1-800-286-7305



Watch a Video

Mike Collins is a North Country resident who supports Northern Pass because of the jobs it will bring to New Hampshire. "This amount of work close to home and the amount of jobs it will create in general, I think it's a great thing."