

Smith, Kim

From: Jonathan Edwards [jonathanedwards@ne.rr.com]
Sent: Wednesday, February 09, 2011 8:24 AM
To: PUC
Cc: jonathanedwards@ne.rr.com
Subject: Edrest Properties Closing Statement 10-195

Staff attorney has stated that due to the fact Edrest Properties can not attend today's final hearing on the above referenced docket, Edrest may submit to staff attorney a closing statement as follows:

Public Utilities Commission of NH
Docket 10-195
2/9/2011

Edrest Properties Closing Statements

Four years ago we began researching the impacts that the Laidlaw project could have on Berlin, the county and state. Over this time a great deal of safe guards and shareholders have been implemented and changes have occurred that warded off some of the risks inherent of the project and to the area's forests. The economical impact for Berlin has been analyzed and touted by the area's politicians as well as some within Berlin's population and the state at large. Edrest Properties believes that we can be unbiased in our opinion as to the outcome of this because financially we have nothing directly to gain. We are, however, indirectly biased by the negative impact this plant can have on quality of life, the value of the city's assets which are negatively impacted by this plant, the impact to tourism, and the cost of power.

Quality of life concerns us because we witness the extent of liquidated harvesting that has occurred significantly around Berlin. America's oldest Cross Country ski touring center, Nansen Ski Touring Center, was forced to leave its home in Berlin for the hills of Milan. My grandfather skied there when he was kid. On a more stern note, we found through research that the same logging company that came to Berlin caused sweeping legislative change in Maine that forced that company's migration to Berlin. A retired logger whom I see every virtually every week day informs us as do other loggers that they've never seen the likes of such forest mismanagement. And now that other loggers have witnessed this practice is happening, some of the irresponsible foresters are following suit. Now Massachusetts is considering law to create minimum standards on forestry practices. How much diesel fuel do we need to burn with our trucks reaching out 100 miles before we understand our goal of reducing foreign oil has a catch 22 when it comes to biomass chip transportation at \$27.00 per ton at distances that don't allow loggers to make an economical number of trips? Forestry issues are not the only quality of life issues, but since Berlin is the city that trees built, suffice it to say that the state law provided yesterday by PSNH seems to mandate we have an obligation by law to protect our forests just as much as the obligation to encourage a forest based economy. We have not been doing that as a whole recently in Coos county. Mr. Sancousy's response to this is to start using the 1.6 million tons of pulp once used by the paper mills. But this is based on Schiller and Laidlaw potentially forming a monopoly that most certainly will lead to significantly high wood price, especially if the whole tree is used when there isn't enough junk wood because the paper mills have closed and the pulp isn't being cut in order for the biomass plants to utilize the junk wood.

PSNH, yesterday, pointed out that the existing biomass plants that are currently operating are Class 3 REC facilities as if these facilities are third rate citizens locked in the confines of the bottom level of the titanic. Why is PSNH so willing to do business with the Laidlaw facility with its touted infrastructure which apparently has little value since two Greenfield projects have come in 8.5- 12.5% lower on their rate? Why isn't the state and PSNH embracing the existing facilities with complete infrastructure already established, and keeping these facilities alive and thriving towards the 2025 initiative rather than making them literally fight for their continued existence? Doesn't NH law introduced by PSNH show that PSNH and NH have an obligation to encourage and support these facilities to persevere? When did monopolization replace fair trade?

Having worked in real estate for 25 years we've witnessed the impact the mill property has had on Berlin over the years. The price of some two family homes today are the same as they sold for in 1975. I wonder how many cities and towns would ever be in a position to embrace a fact like that in NH, in the USA or in the world? The whole city was built around the mill. In the old days close proximity to the mill was not only convenient, but also a status symbol as witness in some of the older Victorians with ornate mahogany woodwork in close proximity to the mill. Some of these properties are currently selling for \$50,000. Berlin's housing stock is urban compact close to the mill which creates a significant risk to fire with this mill in the middle of the city. Many houses are twenty feet apart and winds tend to blow in the mountains on a regular basis. One such company that Laidlaw is familiar with located in Arizona had two accidental fires that burned millions of tons of wood, well over an eight month supply of wood. I can't imagine what impact a chip fire would have in the middle of Berlin. With a housing stock of 1920's vintage homes it doesn't take much to burn a row of them down.

Additionally Berlin has depreciation zones surrounding the mill. This mill is currently impacting scores of properties that are negatively impacted by the mill's existence many as much as 10-20% of assessed value depending on location. Only the positive impact that Laidlaw can potentially provide to the tax base has been calculated, at the expense of hundreds living and trying to capitalize on home ownership, touted as the American dream, under the shadow of a 300 foot stack. That is akin to viewing the potential of a forest without counting the trees.

As to the cost of power it was pointed out yesterday by Mr. McCluskey that the PPA would add \$3.50 to the electric bill as recall. He thought that was excessive. I could sense by looking around the room yesterday that others didn't feel the same way. Edrest properties currently has mostly low income residents within our properties and though I can't assure you that \$3.50 per month will make or break them, I can assure you that most won't be alive at the end of twenty years to enjoy the supposed windfall of savings to the rate payer that PSNH is touting should there be any value left in the mill that PSNH want to own and has chosen to orchestrate into this deal in defiance of current law.

Edrest properties would like to thank all involved in this docket for their significant level of concern for the outcome of this project.

Respectfully,

Edrest Properties
Jonathan Edwards
Managing Partner