Great Lakes Hydro America, LLC v. City of Berlin
Docket Nos.: 25531-10PT/26219-11PT

and

Great Lakes Hydro America, LLC v. Town of Gorham
Docket Nos.: 25532-10PT/26220-11PT

DECISION

Contents:

I. Assessments Under Appeal and Arguments Presented

II. Rulings

A. Introduction

1. The Property
2. The Process of Arriving at Market Value Findings
3. Key Areas of Dispute

B. Specific Findings

1. Revenue Estimates
2. Operating and Capital Expense Estimates
3. Amortization vs. Expensing
4. Discount Rate
5. Market Value Findings and Tests of Reasonableness

C. Summary

Addendum A [Discounted Cash Flow ("DCF") Calculations]

Addendum B (Requests for Findings and Rulings of Law)

I. Assessments Under Appeal and Arguments Presented

The "Taxpayer" appeals the following 2010 and 2011 assessments in the City of Berlin ("City") for the "Sawmill," "Riverside" and "Cross" hydroelectric facilities (collectively, the "City Property") and in the Town of Gorham ("Town") for the "Cascade" and "Gorham" hydroelectric facilities (collectively, the "Town Property"):

	City	Town
2010		
Riverside	$20,200,000	
Cross	$ 7,900,000	
Sawmill	$ 7,300,000	
Cascade		$19,000,000
Gorham		$10,400,000
Total	**$35,400,000**	**$29,400,000**
2011		
Riverside	$20,300,000	
Cross	$ 7,100,000	
Sawmill	$ 7,100,000	
Cascade		$20,200,000
Gorham		$10,400,000
Total	**$34,500,000**[1]	**$30,600,000**

The parties agree the following equalization ratios apply: 101.8% for 2010 and 122.8% for 2011 in the City; and 120.1% for 2010 and 114.2% for 2011 in the Town. (Cf. the March 31, 2014 "Stipulations" filed by the parties.)

The Taxpayer has the burden of showing, by a preponderance of the evidence, the total assessments on the City Property and the total assessments on the Town Property, respectively, were disproportionally high or unlawful, resulting in the Taxpayer paying a disproportionate

[1] The higher total ("$35,500,000") stated in the municipalities' joint "Trial Memorandum" (at p. 1) appears to be a typographical error.

share of taxes in each municipality. See RSA 76:16-a; Tax 201.27(f); Tax 203.09(a); and Appeal of City of Nashua, 138 N.H. 261, 265 (1994). To establish disproportionality, the Taxpayer must show the total assessment in each municipality in each tax year was higher than the general level of assessment. Id.

These appeals were consolidated for hearing and decision. The hearing encompassed seven days (March 31 through April 4, 2014 and June 26 and 27, 2014), with the parties relying heavily on expert appraisals and testimony (from Stephen G. Traub and Jeff Bodington for the Taxpayer and from George E. Sansoucy for the City and Town). Two lay witnesses (Thomas L. Mapletoft and Aleksandar Mitreski) also testified on the Taxpayer's behalf; these individuals are employed by "Brookfield" entities (discussed below) affiliated with the Taxpayer. Each party also submitted a multitude of documents as trial exhibits.

At the start of the hearing, the board granted a "Joint Motion" allowing each party additional time to submit requests for findings of fact and rulings of law ("Requests") and legal memoranda. On July 21, 2014, the Taxpayer filed its "Post Hearing Brief" and separate Requests with respect to the City ("I") and the Town ("II") appeals and the City and Town filed a joint Trial Memorandum and respective Requests. The parties also agreed the Taxpayer would provide the board with an unofficial transcript for each hearing day prepared by a court reporter; upon receipt, this transcript was marked as Taxpayer Exhibit No. 16.

The Taxpayer argued the assessments on the City Property and the Town Property were excessive because:

(1) although the municipalities relied on the analysis and conclusions in the "Sansoucy Appraisals" (Municipality Exhibits A and B) to defend the proportionality of each assessment,

Mr. Sansoucy had prepared earlier appraisals to establish the 2010 and 2011 assessments (the "Sansoucy Assessment Appraisals," Taxpayer Exhibit No. 5, Tabs 4-6, 11-13, 20-21, 25 and 26) which were less voluminous and used a flawed methodology, stemming from Mr. Sansoucy's misunderstandings and misconceptions regarding the market for electricity and from unreasonable projections, resulting in inflated market value estimates and disproportional assessments;

(2) in an effort to address these problems, the Taxpayer responded to document requests from the City and the Town and allowed physical inspections of the Property to try to work out disagreements prior to hiring an expert appraiser (Stephen G. Traub, ASA, of Property Valuation Advisors);

(3) the "Traub Appraisals" (Taxpayer Exhibit Nos. 1-4) estimate much lower market values, are the best evidence of the disproportionality of the assessments in each tax year and do not contain the flaws evident in the Sansoucy Appraisals;

(4) "reasonable, real-world buyers and sellers" would value the City Property and the Town Property in the manner and for the values stated in the Traub Appraisals rather than the Sansoucy Appraisals (see Post-Hearing Brief, p. 2);

(5) Jeff Bodington of Bodington & Company, an investment banker who represents sellers, buyers and lenders in the hydroelectric market, reviewed both the Traub and Sansoucy Appraisals, and (in his written report and oral testimony) concludes the "assumptions and methodology" developed in the Sansoucy Appraisals are "both too simple and aggressive for actual buyers and sellers" in the hydroelectric market (see the August 23, 2013 "Bodington Report," Taxpayer Exhibit No. 5, Tab 67, p. 16); and

(6) as set forth in the Post-Hearing Brief (p. 46), the assessments should be abated, as follows: to "$22,630,140" in tax year 2010 and "$20,986,520" in tax year 2011 in the City; and to "$25,797,480" in tax year 2010 and "$22,611,600" in tax year 2011 in the Town.

The City and the Town argued the assessments were proper because:

(1) the Traub Appraisals are flawed for many reasons, including inflated expense and capital expenditure assumptions, such as a $37 million estimate for repairs to the headwater dams;

(2) the Taxpayer's criticisms of the Sansoucy Appraisals, which were prepared in compliance with USPAP[2] Standards 1 and 2, are without merit and these appraisals are the best evidence of the market value of the City Property and the Town Property;

(3) Mr. Traub placed undue and improper reliance on the historical income and expense information provided to him by his client, the Taxpayer;

(4) the Traub Appraisals fail to take into account complex corporate interrelationships involving the Brookfield entities, including the Taxpayer;

(5) the Sansoucy Appraisals estimate market values that are actually higher than the City's assessments which is an indication the Property was underassessed rather than overassessed; and

(6) the Taxpayer did not meet its burden of proving disproportionality and each appeal should be denied.

II. Rulings

Based on the evidence, the board makes the following market value findings for tax years 2010 and 2011:

[2] The "Uniform Standards of Professional Appraisal Practice," 2014-2015, ed., 1996 adopted by the Appraisal Standards Board of The Appraisal Foundation.

	Board's Market Value Findings	Equalization Ratio	Resulting Assessment	Compared to Assessments Under Appeal	Extent of Disproportionality
2010					
Riverside	$ 13,000,000	101.8%	$ 13,234,000		
Cross	$ 6,600,000	101.8%	$ 6,718,800		
Sawmill	$ 6,500,000	101.8%	$ 6,617,000		
City Total:	**$ 26,100,000**	101.8%	**$ 26,569,800**	**$35,400,000**	**$8,830,200**
Cascade	$ 18,200,000	120.1%	$ 21,858,200		
Gorham	$ 8,900,000	120.1%	$ 10,688,900		
Town Total:	**$ 27,100,000**	120.1%	**$ 32,547,100**	**$29,400,000**	**None**
2011					
Riverside	$ 14,400,000	122.8%	$ 17,683,200		
Cross	$ 6,600,000	122.8%	$ 8,104,800		
Sawmill	$ 6,600,000	122.8%	$ 8,104,800		
City Total:	**$ 27,600,000**	122.8%	**$ 33,892,800**	**$34,500,000**	**$607,200**
Cascade	$ 21,000,000	114.2%	$ 23,982,000		
Gorham	$ 9,500,000	114.2%	$ 10,849,000		
Town Total:	**$ 30,500,000**	114.2%	**$ 34,831,000**	**$30,600,000**	**None**

Consequently, the Taxpayer's 2010 and 2011 appeals are granted in the City and denied in the Town for the following reasons.

A. Introduction

1. The Property

The Property consists of five hydroelectric facilities situated along the Androscoggin River.[3] Each "hydro" consists of "a dam, a powerhouse, and associated equipment and land and generates electricity and related services for sale" and each is described as a "run-of-the-river," intermittent hydroelectric electric dam, which means the hydro operator "cannot vary the

[3] The Androscoggin River flows from Maine into New Hampshire and then back into Maine. There are a total of ten hydroelectric dams on the Androscoggin River in New Hampshire and additional dams in Maine. [Cf., Traub 2010 Berlin Appraisal (Taxpayer Exhibit No. 3), p. 42.]

amount of water stored behind the dam in order to optimize generation during peak electricity demand periods." (Post-Hearing Brief, p. 7, citing the Stipulations.) The flow of water to each hydro is dependent, in part, on controlled discharges from the headwater dams (discussed further below). (Cf. Taxpayer Finding Requests I and II Nos. 6-8.)

The five hydros vary in age and in their respective capacities to generate electricity. The Sawmill hydro, for example, "was completely rebuilt in 1980" whereas the other hydros "date back to the early 1900s." (Post-Hearing Memorandum, p. 8.) Cascade [7.92 megawatts (hereinafter "MW")] and Riverside [7.9 MW] have the largest "nameplate" capacities[4] for generating electricity, followed by Gorham (4.8 MW), Sawmill (3.2 MW) and Cross (3.2 MW). (See Stipulations.) As evident from the assessments stated above, the hydros have widely differing values, with Riverside and Cascade having the highest values and Gorham, Cross and Sawmill having the lowest values; these relative values correlate to some degree with their respective electricity generating capacities.

2. The Process of Arriving at Market Value Findings

There is no dispute each hydro consists of real estate subject to taxation at the municipal level based on market value and taxable value is defined by statute in New Hampshire as

[4] While the municipalities dispute this point, the board finds nameplate capacities should be considered the maximum generation potential of each hydro. As one of the Taxpayer's witnesses (Mr. Mapletoft) testified, the turbines "virtually never run" at nameplate. (April 1, 2014 Transcript, p. 44.) Further corroboration for this finding is in the Sansoucy Appraisals, which present information regarding numerous hydros that produce between 41% and 82% of their nameplate. This contrasts with some of Mr. Sansoucy's estimates where he assumes capacity of the hydros are 90% of nameplate. (See, e.g., Municipality Exhibit B, p. 63.)

"the property's true and full value...." (RSA 75:1: cf. Post-Hearing Brief, pp. 1-2.[5]) In making market value findings, the board considers and weighs all of the evidence presented, applying the board's "experience, technical competence and specialized knowledge" to this evidence. See RSA 71-B:1; and former RSA 541-A:18, V(b), now RSA 541-A:33, VI, quoted in Appeal of City of Nashua, 138 N.H. 261, 265 (1994) (the board has the ability, recognized in the statutes, to utilize its "experience, technical competence and specialized knowledge in evaluating the evidence before it"). (Cf. Post-Hearing Brief, p. 11.)

Further, where there is conflicting evidence, the board must determine for itself the weight to be given each piece of evidence. As the supreme court has noted, "[g]iven all the imponderables in the valuation process" for public utility property, "'judgment is the touchstone.'" Public Service Co. of N.H. v. Ashland, 117 N.H. 635, 639 (1977), quoting from New England Power Co. v. Littleton, 114 N.H. 594, 599 (1974); cf. Appeal of Public Serv. Co. of N.H., 124 N.H. 479, 484 (1984).

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[5] The Taxpayer accurately states the law as follows:

> To obtain relief, GLHA [the Taxpayer] must prove, by a preponderance of the evidence, that it paid "more than [its] proportional share of taxes" on the Properties. Appeal of City of Nashua, 138 N.H. 261, 265 (1994); RSA 76:16-a; Tax 201.27(f); Tax 203.09(a). Disproportionality is established where the taxpayer's "assessment is higher than the general level of assessment in the city," based on the fair market value of the property. Appeal of City of Nashua, 138 N.H. at 265. Fair market value is:
>
>> the price which in all probability would have been arrived at by fair negotiations between an owner willing to sell and a purchaser desiring to buy, taking into account all considerations that fairly might be brought forward and reasonably be given substantial weight in such bargaining.
>
> In re Pennichuck Water Works, Inc., 160 N.H. 18, 37 (2010).

3. Key Areas of Dispute

The Taxpayer and the municipalities disagree substantially in their market value estimates. These differences can be summarized[6] as follows:

	City-2010	City-2011	Town-2010	Town-2011
Municipality:				
Total Assessed Value	$35,400,000	$34,500,000	$29,400,000	$30,600,000
Level of Assessment	101.8%	122.8%	120.1%	114.2%
Equalized Value, Rounded	$34,800,000	28,100,000	$24,500,000	$26,800,000
Taxpayer:				
Market Value, Rounded	$22,200,000	$17,100,000	$21,500,000	$19,800,000
Differences:	**$12,600,000**	**$11,000,000**	**$3,000,000**	**$7,000,000**

In brief, the parties differ by about $12.6 million and $11 million in their market value estimates for the Property in the City in tax years 2010 and 2011, respectively, and by about $3 million and $7 million in their market value estimates for the Property in the Town in tax years 2010 and 2011.

The parties and their experts agree each hydro should be valued at its highest and best use separately [rather than as a whole or in the aggregate]. The board has therefore made market value findings for each hydro in each tax year.[7]

[6] Cf. Post-Hearing Brief, pp. 4 and 50.

[7] Such separate valuations are, of course, distinguishable from the so-called "unit" method which first values the entirety of property devoted to an economic activity (like pipeline transmission), wherever that property might be situated, and then allocates the total value among the municipalities where the property is situated. The unit method has been discussed by the supreme court and the board in prior decisions. (See discussion and cases cited in Portland Pipe Line Corporation v. Town of Gorham, BTLA Docket Nos. 24198-08PT/25123-09PT/25539-10PT (July 22, 2013) at p. 8 (appeal pending in New Hampshire Supreme Court).

In their presentations, the municipalities repeatedly emphasized the Taxpayer is a "subsidiary of Brookfield Renewable Energy ('Brookfield')." (See, e.g., Trial Memorandum, p. 1; and, e.g., Municipality Exhibit B, pp. 9-12.) They focus on certain language in Brookfield's annual reports (e.g., Municipality Exhibit B, pp. 31, 70 and 77) that expresses a generally bullish view of the quality and value of its portfolio of hydro and other renewable energy assets. While the municipalities accurately quote various statements in these reports, the board finds the statements are of limited relevance in these appeals as they are based on averages and are not property specific. The issue before the board is the market value of the real estate owned by the Taxpayer in the City and Town for ad valorem tax purposes. How the management or the shareholders of Brookfield view their entire portfolio of properties does not have the probative value the municipalities contend. In these appeals, the focus must be on the market values of each of five specific hydros, which is only a small portion of the many energy producing assets owned by Brookfield.

A further nuance arising from the parties' arguments pertains to the role(s) of several affiliated entities involved in marketing the energy produced by the Taxpayer's hydros: "BEM" -- Brookfield Energy Marketing, LLP; and "BEMI" -- Brookfield Energy Marketing, Inc. The board finds the transactions between these entities are not likely to be arm's-length because of these relationships. [Cf., Taxpayer Finding Requests I and II, No. 19.] For example, the board's income estimates in its DCFs places no weight on the revenues generated under the "PPA's" (Power Purchase Agreements) between the Taxpayer and affiliated entities. (See the discussion of PPA's in Post-Hearing Brief, p.8; Trial Memorandum, pp. 9-13; and the PPA, Taxpayer Exhibit No. 5, Tab 35.)

The parties agree the PPA was in place in 2011, but not in 2010. Mr. Traub, recognizing this fact, developed two separate sets of market value estimates for 2011: the so-called "PPA Scenario" and the "Merchant Plant Scenario." [Cf. Post-Hearing Brief, p. 10.] The Taxpayer argues the values arrived at in the PPA Scenario should be used in abating the assessments rather than the alternate (higher) values arrived at in the Merchant Plant Scenario. [Id., p. 46.] The board does not agree because it is persuaded the prices stated in the PPA are not likely to be market-based. The issue is somewhat analogous to the concept of "contract rent" versus "market rent," the metric that must be utilized when arriving at an indication of fee simple market value.[8] In addition, Mr. Traub, in his 2011 appraisal and in his testimony, did not express an opinion regarding which scenario (PPA or Merchant Plant) was likely to yield a more credible indication of fee simple market value. Further, he did not reconcile his value indications arrived at in different approaches into a final opinion of market value, which is an accepted step in generally accepted appraisal practice. For all of these reasons, the board finds the Merchant Plant Scenario, not the PPA Scenario, results in a more credible indication of fee simple market value.

The Taxpayer objected to the fact Mr. Sansoucy, who developed the earlier Sansoucy Assessment Appraisals in the course of setting the assessments in each municipality, prepared "trial ready" appraisals using data from beyond the so-called "lien date" (the April 1 assessment date in each tax year). The board can give this argument no weight. There is nothing inherently improper when an assessor gathers additional data and refines the assumptions and conclusions he or she may have used in setting the initial assessment on a property when that

[8] Cf. Demoulas v. Town of Salem, 116 N.H. 775, 781-82 (1976) [cited in City Finding Request No. 14;]; cf. City Finding Request Nos. 11-16; Town Finding Request Nos. 12-16.

assessment is later challenged. To require an assessor to rely only upon the initial "summary assessment appraisal"[9] would be an unreasonable constraint on assessors who are performing mass appraisals and very often have less than complete information at the time they are required to set assessments for every property within a municipality. As noted above, the Taxpayer provided the municipalities with additional requested documents and information in the course of seeking abatements in these appeals and it was not unreasonable for Mr. Sansoucy to use this information and other sources in order to arrive at more detailed conclusions.

The board also considered the somewhat counter-argument that because Mr. Sansoucy used the same methodology to value another hydro (the "PSNH Smith hydro-electric facility..."; see City Request No. 74 and Trial Memorandum, p. 19, fn. 6), this should somehow bar the Taxpayer from proving the assessments were "disproportional." The board does not agree. Each value estimate must stand or fall on its own weight, not on whether a particular assessor (Mr. Sansoucy in this case) chose to value another hydro allegedly using the same methodology.[10]

The municipalities challenged whether Mr. Traub qualified as an expert in the appraisal of hydros. The board denied this attempt to exclude his testimony. Mr. Traub is a licensed, general certified real estate appraiser and his extensive qualifications are listed on the resume included in Taxpayer Exhibit No. 4, Addendum B, along with a summary of his experience in utility valuations (specifically generation facilities) on behalf of municipalities as well as taxpayers. While the municipalities argue Mr. Sansoucy has more experience in setting utility

[9] Cf. Post-Hearing Brief, p.5.

[10] The question of whether or not the PSNH Smith hydro was proportionally assessed is not before the board in these appeals, making this argument somewhat specious.

assessments and performing utility appraisals, his chosen area of practice, this does not mean Mr. Traub is unqualified to present his market value opinions in these appeals.

The board finds both appraisers, although having different qualifications and varying appraisal and assessing experience, have "sufficient knowledge, skill, experience, training and education to enable him to testify as an expert relative to the valuation issues involved...." Cf. Public Serv. Co. v. Town of Bow, 139 N.H. 105, 108 (1994). "The trial court has broad discretion to permit a witness to offer expert testimony." Id. The board is more influenced by the credibility of the assumptions and methodology used by each appraiser than by their relative differences in experience and qualifications.

Both appraisers relied on the income approach using a 20-year DCF to estimate value. The board has accepted this choice of a 20-year holding period because the parties agree this is appropriate for valuing these hydros in these appeals. As discussed below, however, the choice of a longer term involves more speculation about variables that are inherently volatile and uncertain, such as the estimation of energy prices 20 years into the future.

Mr. Traub concluded the income approach "is the most reliable and relevant approach" to value these hydros and did not give direct weight to the other two approaches. With respect to the sales comparison approach, both appraisers found a paucity of comparable sales with many differences that are difficult to adjust for. These differences include whether the properties involved were encumbered with PPA's, if the utilities were "regulated," the physical condition of each hydro, and the historical income and operating expenses as well as projected capital expenditures. [Cf. Post-Hearing Brief, p. 42.] In his testimony, Mr. Traub stated he relied

"solely" on the value arrived at in his income approach, not on either of the other two approaches.

The board agrees with Mr. Traub in this respect and finds that market participants are likely to rely on the income approach, using the DCF technique, to arrive at the values at which hydros are bought and sold. Mr. Bodington, in his testimony and in his report, referred to the DCF technique as the "gold standard" for valuing hydroelectric facilities. [See Bodington Report (Taxpayer Exhibit No. 5, Tab 67) at p. 4.] [11] Weighing the conflicting evidence and arguments presented, however, the board finds this standard is without a doubt 'alloyed' (made less than pure or certain) by its dependence on the assumptions and estimates regarding the key variables necessary to complete a DCF. Recognizing the inherent uncertainties and risks involved, Mr. Bodington stated the process of reaching a value conclusion for a hydro can be a 'tortured' practice. (See April 4, 2014 Transcript, p. 61.)

Like Mr. Traub, Mr. Sansoucy used a 20-year DCF in his income approach. In addition, he developed indications of market value using the sales comparison and cost approaches to value and then reconciled these estimates to arrive at his final value opinion for each hydro. In these appeals, however, the board could not give the use of three approaches in the Sansoucy Appraisals greater weight because the values developed using the sales comparison and cost approaches rely in part on the market value indication arrived at in his income approach. Among other things, Mr. Sansoucy makes very large adjustments in his cost approach for "economic

[11] Commenting on the merits of the cost and sales comparison approaches for valuing hydros, Mr. Bodington noted: "These two methods are little used by owners and buyers because they are based on unrealistic assumptions, such as that the project could be permitted [approved for development] and built again, or they are based on simplistic adjustments...." (Bodington Report, p. 4.)

depreciation or external obsolescence" and computes "unitized present value[s]" which are dependent upon the values he estimates in his income approach. [See, e.g., Municipality Exhibit B, pp. 53 and 65.] The board finds this leads to some amount of circularity.

Development of a DCF requires many estimates pertaining to revenues, operating and capital expenses and discount and terminal capitalization rates throughout the holding period. The great divergence in the respective value conclusions in the Sansoucy and Traub Appraisals stems in large part from disagreements regarding what constitutes the most reasonable estimate for each of these variables and each appraisal has both strengths and weaknesses which were debated through the course of the hearing and in the Post-Hearing Brief and Trial Memorandum.

Consequently, rather than adopting the assumptions and methodology of either expert in a wholesale fashion, the board has developed a DCF for each hydro in each tax year. (See Addendum A.) The board's DCFs contain what the board finds are the most credible assumptions and methodology based on the evidence presented in these appeals, recognizing full well the inherent uncertainties involved in projecting cash flow components for each hydro over a 20-year period.[12] Cf., Preferred First Realty Holdings, LLC v. Town of Bow, BTLA Docket Nos. 23413-07PT, 24083-08PT; and 25156-09PT (July 15, 2011) at pp. 8-9; and North Walpole Village Housing Associates LP v. Walpole, BTLA Docket No. 23590-07PT and 24650-08PT (March 24, 2010) at p. 5.

[12] Mr. Bodington admitted as much in his testimony: rather than subscribing to the estimates of value of either appraiser, he testified he would have to perform his own DCF analysis to arrive at value conclusions for each hydro (which might differ from the value conclusions of Mr. Traub or Mr. Sansoucy), but on the whole he found the assumptions made in the Traub Appraisals to be more credible than those in the Sansoucy Appraisals.

B. Specific Findings

In the subsections below, the board will discuss the key DCF variables disputed by the parties, reflected in the Traub and Sansoucy Appraisals and the other evidence presented, which the board resolved in order to make its own findings regarding the market value of each hydro in each tax year.

1. Revenue Estimates

The parties agree there are three principal sources of revenue for each hydro: electricity sales; capacity payments; and Renewable Energy Credits ("RECs").[13] The predominant revenue source is the sale of electricity, which is dependent on the actual electricity produced by each hydro and the market price of electricity when it is sold. Capacity payments are a separate source of revenue and are structured "to ensure sufficient reliable capacity stays in place." (See, e.g., Traub 2011 Berlin Appraisal, pp. 80-82.) A third, less significant revenue source are RECs. Comparison of the magnitude of these revenue sources is instructive. For Riverside in 2010, for example, the board's calculations indicate the sale of electricity accounted for about 94% of total gross income, whereas capacity payments accounted for about 5.4% and RECs less than 1%. (See Addendum A.)

Each expert presented estimates of electricity generation in their DCFs but did so in ways that, in the board's judgment, were not entirely consistent with each other or free of errors.

[13] As stated in the Post-Hearing Brief (p. 13), capacity payments depend on each generator's "qualified capacity," the capacity price determined 3.5 years ahead in "ISO-New England's annual forward capacity auctions." RECs generate payments to suppliers of electricity from renewable energy sources and their "[p]rices depend on the year the RECs were generated, the location of [the] facility and supply and demand." (See, e.g., Traub 2010 Berlin Appraisal, p. 68.)

Therefore, the board estimated "Effective Energy Generation" for each hydro, taking into account nameplate capacity, but giving more weight to the historic energy generation information for each hydro compiled in the Traub Appraisals.[14]

Reasonable price estimates that are neither overly optimistic nor overly pessimistic are also necessary to generate a DCF that results in a credible indication of market value. The parties do not dispute the likely direction of price movements over time (upwards), but primarily disagree about the magnitude of those movements.[15] There is no dispute that electricity prices are subject to considerable volatility, well evident in the past few years, and no one has a proverbial 'crystal ball' to predict what future prices in each year for a 20-year holding period are likely to be.[16] Weighing the evidence as a whole, the board finds the pricing assumptions made by Mr. Traub, based on multiple industry sources, to be more reasonable for the most part than the estimates presented by Mr. Sansoucy based on a single source ("Ventyx"), a source subject to considerable limitations and uncertainties of its own. [See Post-Hearing Brief, pp. 18-28.] The board's DCFs contain electricity price estimates that are therefore closer to those contained in the Traub Appraisals.

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[14] While Mr. Traub and Mr. Sansoucy varied in their methodologies in how to estimate electricity generation, in actuality their estimates were very similar in most instances. For example, Mr. Traub utilized 55,205 MWh for Riverside in tax year 2011 and Mr. Sansoucy estimated 55,316 MWh, a difference of less than 1%. (See Taxpayer Exhibit No. 3, p. 111 and Municipality Exhibit B, Vol. II, Tab K.)

[15] Although there are larger differences in future years, for 2010 Mr. Traub and Mr. Sansoucy are only about one dollar (approximately 2%) apart in their initial price estimates. (See Traub 2010 Berlin Appraisal (Taxpayer Exhibit No. 3), p. 77; and Municipality Exhibit B, Vol. II, Tab K.)

[16] The parties spent much time critiquing each other's pricing assumptions to the point of splitting hairs over the relative merits of making a price "projection" or a price "forecast." The board will not resolve this semantic debate here. (Cf. Trial Memorandum, pp. 4-12; Post-Hearing Brief, pp. 18-20 and 22-29; and Town Finding Request No. 19.)

The DCFs also require reasonable estimates of capacity payments and RECs, the second and third components of the revenue stream, and the parties differ substantially in their estimates. (Cf. Post-Hearing Brief, pp. 13-21; and Trial Memorandum, pp. 13-22.) The board's capacity payment estimates are based on the evidence presented regarding the results of the forward capacity auctions and the qualified capacity calculated by ISO-NE for each hydro. (Cf. Taxpayer Requests I and II, Nos. 25-28). In this regard, the board relied in large part on the testimony of Mr. Mitreski regarding the differences between nameplate and qualified capacity. (See April 1, 2014 Transcript, pp. 125-29.) The board's REC estimates are based on the total payments received by Brookfield, which were then allocated to each hydro based on its relative long term average energy generation.[17] The board applied an inflation factor of 2.5% per year to both the capacity and REC estimates presented for the initial years.

2. Operating and Capital Expense Estimates

A very significant area of disagreement in the Traub and Sansoucy Appraisals concerns estimates of operating and capital expenses. [Cf. Post-Hearing Brief, pp. 29-33 and Trial Memorandum, pp. 23-25.] The board will briefly summarize their differences and present its own findings in this section.

To estimate operating expenses, Mr. Traub used averages of the Taxpayer's historical reported expenses (a four-year average for tax year 2010 and a five-year average for tax year 2011), including a property tax component in his expense estimates, and reconciling to an expense estimate of $17 per megawatt hour (MWh) for each hydro. (Traub Appraisal, Taxpayer

[17] In addition to the five hydros involved in these appeals, the Taxpayer owns a sixth hydro in the Town of Shelburne. Consequently, the board has allocated some revenue and expense items among all six hydros, consistent with the Traub and Sansoucy Appraisals.

Exhibit No. 3, pp. 82-85.) He notes his calculation of "expenses of $17.51 per MWh are above-average for the hydro industry. Typically on larger and newer (or rehabbed) facilities, expenses would be closer to $10 to $12 per MWh produced. On small, old, and extremely inefficient plants the cost goes up approaching $24 per MWh." (Id., p. 85.) His calculations include certain management fees reportedly paid by the Taxpayer to related Brookfield entities, but the board finds this layer of management fees should be excluded because there was a lack of evidence to establish these expenses are market-based.

In contrast to Mr. Traub's use of the Taxpayer's historical expenses, Mr. Sansoucy developed his own estimates using expense data he had gathered for other hydros. The Taxpayer criticized this approach because Mr. Sansoucy's data is based on his own "study" which includes much larger facilities, some of which are "regulated public utilities" and therefore dissimilar to the hydros in these appeals. (See Post-Hearing Brief, p. 31.)

The board finds an operating expense estimate of $14 per MWh (inflated by 2.5% per year throughout the holding period) is reasonable after weighing all of the relevant factors, some of which offset each other. This estimate takes into account the parties' acknowledgment that the hydros are well maintained. The board considered the actual ages of each hydro and the relative advantages and disadvantages of using multiple, smaller turbines rather than a single, larger turbine, as well as how planned capital improvements, when complete, may improve the efficiency of the hydros. Unlike Mr. Traub, the board excluded management fees paid by the Taxpayer to various Brookfield entities and did not include property taxes as an operating

expense. When estimating market value for ad valorem tax purposes, the board finds it is more appropriate to account for the latter item with a tax-loaded discount rate.[18]

Another expense item involves the RSA 83-F utility tax payments, which are distinct from property tax payments because the former are determined by the department of revenue administration and are independent determinations which involve issues not presently before the board. The board's estimates are based on the actual 2012 utility tax payments reported in the Traub Appraisals, inflated by 2.5% over the holding period. (See, e.g., Traub 2011 Gorham Appraisal, p. 37.)

Turning to capital expenses, the board finds the information obtained from the Taxpayer regarding each hydro in the Traub Appraisals to be reasonably supported by the evidence presented. The Taxpayer also provided capital expense information to Mr. Sansoucy, but he chose not to rely upon it in his appraisals. (See Post-Hearing Brief, p. 41.) Major capital expense items include an upgrade of the PSNH owned "Goebel Street" Station, headwater dam repairs and/or replacement, Federal Energy Regulatory Commission ("FERC") relicensing costs, as well as additional capital expenditures specific to each hydro (e.g., penstock replacement at Riverside).

For Goebel Street, the parties agreed the expense to be allocated among the Taxpayer's six hydros (including Shelburne) was $3.5 million in 2010 and the board has used this estimate. In tax year 2011, however, PSNH and the Taxpayer reached an agreement that the Taxpayer's cost contribution would be $1.7 million and the board therefore used this lower estimate.

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[18] Cf., Bow Highlands, LLC v. Town of Bow, BTLA Docket Nos. 23411-07PT, 24084-08PT and 25110-09PT (March 4, 2011) at p. 22.

The parties do not dispute the Taxpayer is responsible for a portion of the cost of off-site headwater dam repairs.[19] The board finds in 2010 the best information available indicated these repairs would cost $37 million and therefore the board used this figure in its 2010 DCFs. In 2011, however, as noted by the municipalities, additional information became available, including the "Hatch Report," persuading the board that a more reasonable estimate of headwater dam repairs was $25.6 million. (See Municipality Exhibit B, Tab 10.)

For FERC relicensing costs, the board used an estimate of $1 million for each hydro except Riverside,[20] and assumed these costs would be incurred over a five year period beginning in 2019. The board adopted this finding after considering the respective arguments presented by each party regarding how these anticipated costs should impact each hydro. (Cf. Post-Hearing Brief, pp. 40-42; and Trial Memorandum, pp. 27-29.)

The board also considered miscellaneous capital expenditures. After reviewing the disparate estimates for this expense category, and using its judgment and experience, the board finds 2.5% of total cash flows is appropriate for this expense item.

3. Amortization vs. Expensing

For certain capital expenses, the parties' experts disagree regarding whether it was more reasonable to 'amortize' or 'expense' these items. (Cf. Post-Hearing Brief, pp. 34-42; and Trial Memorandum, pp. 29-31.) The major items at issue are the anticipated costs for the headwater

[19] The parties agree the Taxpayer's share of the headwater dam repair and/or replacement is 25% of the total expenses, allocated between the Taxpayer's six hydros (including Shelburne).

[20] The other four hydros have licenses that expire in 2024 and the Riverside license will not expire until 2033, three years after the 20-year holding period in the DCF. (See Stipulations.) Neither appraiser included any part of Riverside's relicensing costs as an expense item in their respective DCFs and the board has chosen not to do so either.

dam repairs and the Riverside penstocks replacement. As reflected in the board's DCFs, the board finds it is more reasonable to expense these costs in the year(s) they are incurred rather than to amortize them. The premise behind a DCF (discounted cash flow) is to match each revenue and expense item to the time period in which cash "flows" either into or out of the entity in order to arrive at a credible indication of market value.[21]

4. Discount Rate

The parties' experts both employed two rates in their respective DCF analyses, a "discount" rate and a "going out" rate (commonly known as a "terminal" capitalization rate). The discount rate is a reflection of the time value of money and is used to measure the present value of the future cash flows. The going out rate is used to estimate the future value of a property assuming it is sold at the end of the holding period. All other things being equal, use of higher rates in a DCF will result in lower market value estimates.

The board noted the different methodologies used by each appraiser for each hydro in each tax year and the resulting discount and going out rates. (These range from 10.7% to 12.7% in 2010 and 10.5% to 13.3% in 2011.) The board was not persuaded to adopt any of these rates and instead developed its own estimates. The board's estimates are based upon consideration of the data provided by these experts, information contained in Brookfield's annual reports and the nature of these hydros as long term, stable, renewable energy producing facilities. For both the discount rate and the going out rate in each tax year, the board finds a base rate of 10% adjusted

[21] See the discussion of this point in The Appraisal of Real Estate, 11th ed., p. 498 (1996), which concludes "this is particularly important when the property's future net operating income is based on the assumption that the capital expenditure will be made. In this case, failure to account for the capital expenditure could result in an overstatement of value."

by the effective tax rate in each municipality is appropriate. These estimates are shown in the board's DCFs.[22]

5. Market Value Findings and Tests of Reasonableness

The board's detailed market value findings are stated above. These findings indicate a total market value of $53.2 million in tax year 2010 and $58.1 million in tax year 2011 for the five hydros. These hydros have a combined nameplate of approximately 27MWs, indicating the board's estimates equate to about $2 million per MW.

As one test of reasonableness, the board reviewed the limited information of sales of hydros in the Traub and Sansoucy Appraisals. (See, e.g., Traub 2010 Berlin Appraisal, pp. 115-20; and Municipality Exhibit B, Sansoucy Appraisal, pp. 57-68.) These sales included hydros located in NH, VT, ME, NY and WI. Focusing on the northeast (NH, VT, ME and NY) hydros and on sales occurring between 2006 and 2010, there were a total of ten sales, five of which were mentioned by both appraisers.[23] These sales give a rough indication that hydros were selling in the market in the range of approximately $1.8 million to $3.5 million per MW of nameplate. As Mr. Traub recognized, the majority of these sales were negotiated when electric prices were substantially above the actual prices being paid in 2010 and 2011. (See Traub 2010 Berlin Appraisal, p. 119.) Therefore, the board's market value finding of approximately $2 million per MW, which is near the low end of this range, appears reasonable.

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[22] Further, in contrast to Mr. Traub and in agreement with Mr. Sansoucy, the board used the end of year assumption in its DCF calculations. This is consistent with the board's findings in other appeals. See, e.g., North Country Environmental Services, Inc. v. Town of Bethlehem, BTLA Docket Nos. 19709-02PT, 20384-03PT and 21064-04PT (May 7, 2007), p. 12.

[23] These sales are the: June, 2006 sale of Rumford Falls for $144,000,000; November, 2007 sale of Sebec for $1,750,000; December, 2008 sale of Gilman for $9,000,000; November, 2009 sale of Blackbear for $95,000,000; and May, 2010 sale of Vermont Marble for $33,200,000.

As an additional test of reasonableness, the board compared how the relative values reflected in its specific market value findings matched up with the relative valuations in the Traub and Sansoucy Appraisals. The board, consistent with both appraisers, estimates the highest valued hydro to be Cascade and the lowest valued hydros to be Cross and Sawmill.

Finally, the board notes its findings for 2010 and 2011 indicate approximate increases of 5.75% in the market value of the hydros in the City (Riverside, Cross and Sawmill) and 12.5% increase in the market value of the hydros in the Town (Cascade and Gorham). Most of these increases result from: the reduced cost estimates for certain capital expenses in 2011 (including the headwater dam repairs and the Goebel Street improvements); the completion of the first phase of the penstock replacement project at Riverside in 2010; and the increased electricity generation of Cascade in 2011. But for these changes, the board's market value findings would have been closer to each other in these two tax years.

C. Summary

In summary and giving effect to the stipulated equalization ratios, the board finds the Taxpayer met its burden of proving disproportionality with respect to the City's assessments for tax years 2010 and 2011, but not with respect to the Town's assessments for these years. [See the table of market value findings and resulting assessments (at p. 6) and the DCFs (in Addendum A).] Consequently, the City appeals are granted and the assessments abated to $26,569,800 in 2010 and $33,892,800 in 2011, but the Town appeals are denied.

If the taxes in the City have been paid, the amount paid on the value in excess of $26,569,800 for tax year 2010 and $33,892,800 in 2011 shall be refunded with interest at six percent per annum from date paid to refund date. RSA 76:17-a. The Taxpayer has appeals

pending before the board for subsequent years in both the City and the Town and therefore the subsequent year statute (RSA 76:17-c) does not apply to these findings.

Any party seeking a rehearing, reconsideration or clarification of this Decision must file a motion (collectively "rehearing motion") within thirty (30) days of the clerk's date below, not the date this decision is received. RSA 541:3; Tax 201.37. The rehearing motion must state with specificity all of the reasons supporting the request. RSA 541:4; Tax 201.37(b). A rehearing motion is granted only if the moving party establishes: 1) the decision needs clarification; or

2) based on the evidence and arguments submitted to the board, the board's decision was erroneous in fact or in law. Thus, new evidence and new arguments are only allowed in very limited circumstances as stated in board rule Tax 201.37(g). Filing a rehearing motion is a prerequisite for appealing to the supreme court, and the grounds on appeal are limited to those stated in the rehearing motion. RSA 541:6. Generally, if the board denies the rehearing motion, an appeal to the supreme court must be filed within thirty (30) days of the date on the board's denial with a copy provided to the board in accordance with Supreme Court Rule 10(7).

SO ORDERED.

BOARD OF TAX AND LAND APPEALS

_____
Michele E. LeBrun, Chair

_____
Albert F. Shamash, Member

_____
Theresa M. Walker, Member

Addendum A

[Board's DCFs]

Riverside-2010									
	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
REVENUE:									
Effective Energy Generation (MWh)	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000
Estimated Energy Price (MWh)	$ 48.67	$ 56.99	$ 58.91	$ 59.74	$ 61.17	$ 64.48	$ 65.92	$ 67.35	$ 68.79
Energy Generation Cash Flows	$ 2,725,520	$ 3,191,440	$ 3,298,960	$ 3,345,440	$ 3,425,520	$ 3,610,880	$ 3,691,520	$ 3,771,600	$ 3,852,240
Capacity Payments	$ 157,277	$ 152,213	$ 131,660	$ 139,404	$ 142,889	$ 146,461	$ 150,123	$ 153,876	$ 157,723
RECs	$ 5,960	$ 6,109	$ 6,262	$ 6,418	$ 6,579	$ 6,743	$ 6,912	$ 7,085	$ 7,262
Total Cash Flows:	**$ 2,888,757**	**$ 3,349,762**	**$ 3,436,882**	**$ 3,491,262**	**$ 3,574,988**	**$ 3,764,085**	**$ 3,848,555**	**$ 3,932,560**	**$ 4,017,225**
EXPENSES:									
Operating Expenses	$ 784,000	$ 803,600	$ 823,690	$ 844,282	$ 865,389	$ 887,024	$ 909,200	$ 931,930	$ 955,228
RSA 83-F Utility Tax	$ 50,000	$ 51,250	$ 52,531	$ 53,845	$ 55,191	$ 56,570	$ 57,985	$ 59,434	$ 60,920
Goebel Street Station		$ 521,276	$ 521,277						
Headwater Dam Repairs				$ 1,377,659	$ 1,377,660				
Penstock Replacement	$ 2,050,000					$ 3,000,000	$ 3,000,000	$ 3,000,000	
#1 Turbine & Electronics		$ 725,000	$ 725,000			$ 550,000			
Miscellaneous Capital Costs	$ 68,138	$ 79,786	$ 82,474	$ 83,636	$ 85,638	$ 90,272	$ 92,288	$ 94,290	$ 96,306
Total Cash Expenses:	**$ 2,952,138**	**$ 2,180,912**	**$ 2,204,972**	**$ 2,359,422**	**$ 2,383,878**	**$ 4,583,866**	**$ 4,059,472**	**$ 4,085,654**	**$ 1,112,454**
Net Cash Flow:	**$ (63,381)**	**$ 1,168,850**	**$ 1,231,909**	**$ 1,131,840**	**$ 1,191,110**	**$ (819,782)**	**$ (210,918)**	**$ (153,093)**	**$ 2,904,770**
Tax Adjusted Discount Rate	13.00%								
Tax Adjusted Going Out Rate	13.00%								
Present Value of Net Cash Flows	**$9,964,265**								
Terminal Value Less Marketing Exp. (5%)	$ 34,536,214								
Present Value of Terminal Value	**$2,997,132**								
Estimated Market Value:	$12,961,397								
Market Value Estimate, Rounded:	**$13,000,000**								

Riverside-2010	**(continued)**										
2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000
$ 70.22	$ 71.66	$ 74.73	$ 77.80	$ 80.87	$ 83.94	$ 86.22	$ 88.50	$ 90.78	$ 93.06	$ 104.90	$ 107.52
$ 3,932,320	$ 4,012,960	$ 4,184,880	$ 4,356,800	$ 4,528,720	$ 4,700,640	$ 4,828,320	$ 4,956,000	$ 5,083,680	$ 5,211,360	$ 5,874,400	$ 6,021,260
$ 161,666	$ 165,708	$ 169,850	$ 174,096	$ 178,449	$ 182,910	$ 187,483	$ 192,170	$ 196,974	$ 201,899	$ 206,946	$ 212,120
$ 7,443	$ 7,629	$ 7,820	$ 8,016	$ 8,216	$ 8,421	$ 8,632	$ 8,848	$ 9,069	$ 9,296	$ 9,528	$ 9,766
$ 4,101,429	**$ 4,186,297**	**$ 4,362,550**	**$ 4,538,912**	**$ 4,715,385**	**$ 4,891,971**	**$ 5,024,435**	**$ 5,157,018**	**$ 5,289,723**	**$ 5,422,554**	**$ 6,090,874**	**$ 6,243,146**
$ 979,109	$ 1,003,586	$ 1,028,676	$ 1,054,393	$ 1,080,753	$ 1,107,771	$ 1,135,466	$ 1,163,852	$ 1,192,949	$ 1,222,772	$ 1,253,342	$ 1,284,675
$ 62,443	$ 64,004	$ 65,604	$ 67,244	$ 68,926	$ 70,649	$ 72,415	$ 74,225	$ 76,081	$ 77,983	$ 79,933	$ 81,931
$ 98,308	$ 100,324	$ 104,622	$ 108,920	$ 113,218	$ 117,516	$ 120,708	$ 123,900	$ 127,092	$ 130,284	$ 146,860	$ 150,532
$ 1,139,860	**$ 1,167,915**	**$ 1,198,902**	**$ 1,230,557**	**$ 1,262,896**	**$ 1,295,936**	**$ 1,328,589**	**$ 1,361,978**	**$ 1,396,122**	**$ 1,431,039**	**$ 1,480,134**	**$ 1,517,138**
$ 2,961,569	**$ 3,018,382**	**$ 3,163,648**	**$ 3,308,355**	**$ 3,452,489**	**$ 3,596,035**	**$ 3,695,846**	**$ 3,795,040**	**$ 3,893,601**	**$ 3,991,515**	**$ 4,610,740**	**$ 4,726,008**

Cross - 2010

	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUE:									
Effective Energy Generation (MWh)	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Estimated Energy Price (MWh)	$ 48.67	$ 56.99	$ 58.91	$ 59.74	$ 61.17	$ 64.48	$ 65.92	$ 67.35	$ 68.79
Energy Generation Cash Flows	$ 973,400	$ 1,139,800	$ 1,178,200	$ 1,194,800	$ 1,223,400	$ 1,289,600	$ 1,318,400	$ 1,347,000	$ 1,375,800
Capacity Payments	$ 56,170	$ 54,362	$ 47,021	$ 49,787	$ 51,032	$ 52,307	$ 53,615	$ 54,956	$ 56,329
RECs	$ 2,120	$ 2,173	$ 2,227	$ 2,283	$ 2,340	$ 2,399	$ 2,459	$ 2,520	$ 2,583
Total Cash Flows:	**$ 1,031,690**	**$ 1,196,335**	**$ 1,227,448**	**$ 1,246,870**	**$ 1,276,772**	**$ 1,344,306**	**$ 1,374,474**	**$ 1,404,476**	**$ 1,434,712**
EXPENSES:									
Operating Expenses	$ 280,000	$ 287,000	$ 294,175	$ 301,529	$ 309,068	$ 316,794	$ 324,714	$ 332,832	$ 341,153
RSA 83-F Utility Tax	$ 17,000	$ 17,425	$ 17,861	$ 18,307	$ 18,765	$ 19,234	$ 19,715	$ 20,208	$ 20,713
Goebel Street Station		$ 186,170	$ 186,170						
Headwater Dam Repairs				$ 492,021	$ 492,022				
Transformer & Circuit Breaker Replace.		$ 70,000	$ 400,000						
Relicensing Costs									
Miscellaneous Capital Costs	$ 24,335	$ 28,495	$ 29,455	$ 29,870	$ 30,585	$ 32,240	$ 32,960	$ 33,675	$ 34,395
Total Expenses	**$ 321,335**	**$ 589,090**	**$ 927,661**	**$ 841,728**	**$ 850,439**	**$ 368,268**	**$ 377,389**	**$ 386,715**	**$ 396,261**
Net Cash Flow	**$ 710,355**	**$ 607,245**	**$ 299,788**	**$ 405,142**	**$ 426,332**	**$ 976,038**	**$ 997,085**	**$ 1,017,761**	**$ 1,038,452**
Tax Adjusted Discount Rate	13.00%								
Tax Adjusted Going Out Rate	13.00%								
Present Value of Net Cash Flows	**$5,496,960**								
Terminal Value Less Marketing Exp. (5%)	$ 12,344,522								
Present Value of Terminal Value	**$1,071,286**								
Estimated Market Value:	$6,568,246								
Market Value Estimate, Rounded:	**$6,600,000**								

Cross - 2010	**(continued)**										
2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
$ 70.22	$ 71.66	$ 74.73	$ 77.80	$ 80.87	$ 83.94	$ 86.22	$ 88.50	$ 90.78	$ 93.06	$ 104.90	$ 107.52
$ 1,404,400	$ 1,433,200	$ 1,494,600	$ 1,556,000	$ 1,617,400	$ 1,678,800	$ 1,724,400	$ 1,770,000	$ 1,815,600	$ 1,861,200	$ 2,098,000	$ 2,150,450
$ 57,738	$ 59,181	$ 60,661	$ 62,177	$ 63,732	$ 65,325	$ 66,958	$ 68,632	$ 70,348	$ 72,106	$ 73,909	$ 75,757
$ 2,648	$ 2,714	$ 2,782	$ 2,851	$ 2,922	$ 2,996	$ 3,070	$ 3,147	$ 3,226	$ 3,306	$ 3,389	$ 3,474
$ 1,464,785	**$ 1,495,095**	**$ 1,558,042**	**$ 1,621,028**	**$ 1,684,054**	**$ 1,747,120**	**$ 1,794,428**	**$ 1,841,779**	**$ 1,889,174**	**$ 1,936,613**	**$ 2,175,298**	**$ 2,229,681**
$ 349,682	$ 358,424	$ 367,384	$ 376,569	$ 385,983	$ 395,633	$ 405,523	$ 415,662	$ 426,053	$ 436,704	$ 447,622	$ 458,813
$ 21,231	$ 21,761	$ 22,305	$ 22,863	$ 23,435	$ 24,021	$ 24,621	$ 25,237	$ 25,868	$ 26,514	$ 27,177	$ 27,856
$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000							
$ 35,110	$ 35,830	$ 37,365	$ 38,900	$ 40,435	$ 41,970	$ 43,110	$ 44,250	$ 45,390	$ 46,530	$ 52,450	$ 53,761
$ 606,022	**$ 616,015**	**$ 627,055**	**$ 638,332**	**$ 649,853**	**$ 461,623**	**$ 473,255**	**$ 485,148**	**$ 497,311**	**$ 509,749**	**$ 527,249**	**$ 540,430**
$ 858,763	**$ 879,080**	**$ 930,988**	**$ 982,696**	**$ 1,034,201**	**$ 1,285,497**	**$ 1,321,174**	**$ 1,356,631**	**$ 1,391,863**	**$ 1,426,864**	**$ 1,648,049**	**$ 1,689,250**

Sawmill-2010

	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUE:									
Effective Energy Generation (MWh)	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000
Estimated Energy Price (MWh)	$ 48.67	$ 56.99	$ 58.91	$ 59.74	$ 61.17	$ 64.48	$ 65.92	$ 67.35	$ 68.79
Energy Generation Cash Flows	$ 924,730	$ 1,082,810	$ 1,119,290	$ 1,135,060	$ 1,162,230	$ 1,225,120	$ 1,252,480	$ 1,279,650	$ 1,307,010
Capacity Payments	$ 53,362	$ 51,644	$ 44,670	$ 47,298	$ 48,480	$ 49,692	$ 50,935	$ 52,208	$ 53,513
RECs	$ 2,020	$ 2,071	$ 2,122	$ 2,175	$ 2,230	$ 2,285	$ 2,343	$ 2,401	$ 2,461
Total Cash Flows:	**$ 980,112**	**$ 1,136,525**	**$ 1,166,082**	**$ 1,184,533**	**$ 1,212,940**	**$ 1,277,098**	**$ 1,305,757**	**$ 1,334,259**	**$ 1,362,985**
Operating Expenses	$ 266,000	$ 272,650	$ 279,466	$ 286,453	$ 293,614	$ 300,955	$ 308,478	$ 316,190	$ 324,095
RSA 83-F Utility Tax	$ 17,000	$ 17,425	$ 17,861	$ 18,307	$ 18,765	$ 19,234	$ 19,715	$ 20,208	$ 20,713
Goebel Street Station		$ 176,861	$ 176,862						
Headwater Dam Repairs				$ 476,420	$ 476,420				
Relicensing Costs									
Miscellaneous Capital Costs	$ 23,118	$ 27,070	$ 27,982	$ 28,377	$ 29,056	$ 30,628	$ 31,312	$ 31,991	$ 32,675
Total Expenses	**$ 306,118**	**$ 494,006**	**$ 502,171**	**$ 809,557**	**$ 817,855**	**$ 350,817**	**$ 359,505**	**$ 368,389**	**$ 377,483**
Net Operating Income	**$ 673,994**	**$ 642,518**	**$ 663,911**	**$ 374,977**	**$ 395,085**	**$ 926,281**	**$ 946,252**	**$ 965,870**	**$ 985,501**
Tax Adjusted Discount Rate	13.00%								
Tax Adjusted Going Out Rate	13.00%								
Present Value of Net Cash Flows	**$5,508,545**								
Terminal Value Less Marketing Exp. (5%)	$ 11,717,193								
Present Value of Terminal Value	**$1,016,845**								
Estimated Market Value:	$6,525,390								
Market Value Estimate, Rounded:	**$ 6,500,000**								

Sawmill - 2010	**(continued)**										
2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000
$ 70.22	$ 71.66	$ 74.73	$ 77.80	$ 80.87	$ 83.94	$ 86.22	$ 88.50	$ 90.78	$ 93.06	**$ 104.90**	$ 107.52
$ 1,334,180	$ 1,361,540	$ 1,419,870	$ 1,478,200	$ 1,536,530	$ 1,594,860	$ 1,638,180	$ 1,681,500	$ 1,724,820	$ 1,768,140	$ 1,993,100	$ 2,042,928
$ 54,851	$ 56,222	$ 57,628	$ 59,069	$ 60,545	$ 62,059	$ 63,611	$ 65,201	$ 66,831	$ 68,502	$ 70,214	$ 71,970
$ 2,523	$ 2,586	$ 2,650	$ 2,717	$ 2,785	$ 2,854	$ 2,926	$ 2,999	$ 3,074	$ 3,151	$ 3,229	$ 3,310
$ 1,391,554	**$ 1,420,348**	**$ 1,480,148**	**$ 1,539,985**	**$ 1,599,860**	**$ 1,659,773**	**$ 1,704,716**	**$ 1,749,700**	**$ 1,794,725**	**$ 1,839,792**	**$ 2,066,543**	**$ 2,118,207**
$ 332,198	$ 340,502	$ 349,015	$ 357,740	$ 366,684	$ 375,851	$ 385,247	$ 394,878	$ 404,750	$ 414,869	$ 425,241	$ 435,872
$ 21,231	$ 21,761	$ 22,305	$ 22,863	$ 23,435	$ 24,021	$ 24,621	$ 25,237	$ 25,868	$ 26,514	$ 27,177	$ 27,856
$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000							
$ 33,355	$ 34,039	$ 35,497	$ 36,955	$ 38,413	$ 39,872	$ 40,955	$ 42,038	$ 43,121	$ 44,204	$ 49,828	$ 51,073
$ 586,783	**$ 596,302**	**$ 606,817**	**$ 617,559**	**$ 628,532**	**$ 439,743**	**$ 450,823**	**$ 462,153**	**$ 473,738**	**$ 485,587**	**$ 502,246**	**$ 514,802**
$ 804,771	**$ 824,046**	**$ 873,331**	**$ 922,427**	**$ 971,328**	**$ 1,220,030**	**$ 1,253,893**	**$ 1,287,547**	**$ 1,320,986**	**$ 1,354,205**	**$ 1,564,298**	**$ 1,603,405**

Cascade-2010

	2010	2011	2012	2013	2014	2015	2016	2017	2018
REVENUE:									
Effective Energy Generation (MWh)	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
Estimated Energy Price (MWh)	$ 48.67	$ 56.99	$ 58.91	$ 59.74	$ 61.17	$ 64.48	$ 65.92	$ 67.35	$ 68.79
Energy Generation Cash Flows	$ 2,433,500	$ 2,849,500	$ 2,945,500	$ 2,987,000	$ 3,058,500	$ 3,224,000	$ 3,296,000	$ 3,367,500	$ 3,439,500
Capacity Payments	$ 140,426	$ 135,904	$ 117,553	$ 124,468	$ 127,580	$ 130,769	$ 134,038	$ 137,389	$ 140,824
RECs	$ 5,320	$ 5,453	$ 5,589	$ 5,729	$ 5,872	$ 6,019	$ 6,170	$ 6,324	$ 6,482
Total Cash Flows:	**$ 2,579,246**	**$ 2,990,857**	**$ 3,068,642**	**$ 3,117,197**	**$ 3,191,952**	**$ 3,360,788**	**$ 3,436,208**	**$ 3,511,213**	**$ 3,586,806**
EXPENSES:									
Operating Expenses	$ 700,000	$ 717,500	$ 735,438	$ 753,823	$ 772,669	$ 791,986	$ 811,785	$ 832,080	$ 852,882
RSA 83-F Utility Tax	$ 40,000	$ 41,000	$ 42,025	$ 43,076	$ 44,153	$ 45,256	$ 46,388	$ 47,547	$ 48,736
Goebel Street Station		$ 465,425	$ 465,426						
Headwater Dam Repairs				$ 1,230,053	$ 1,230,053				
#2 Mechanical Overhaul							$ 300,000		
Relicensing Costs									
Miscellaneous Capital Costs	$ 60,838	$ 71,238	$ 73,638	$ 74,675	$ 76,463	$ 80,600	$ 82,400	$ 84,188	$ 85,988
Total Expenses	**$ 800,838**	**$ 1,295,163**	**$ 1,316,526**	**$ 2,101,627**	**$ 2,123,337**	**$ 917,842**	**$ 1,240,573**	**$ 963,815**	**$ 987,606**
Net Operating Income	**$ 1,778,409**	**$ 1,695,695**	**$ 1,752,116**	**$ 1,015,570**	**$ 1,068,615**	**$ 2,442,946**	**$ 2,195,635**	**$ 2,547,398**	**$ 2,599,200**
Tax Adjusted Discount Rate	12.60%								
Tax Adjusted Going Out Rate	12.60%								
Present Value of Net Cash Flows	**$15,257,963**								
Terminal Value Less Marketing Exp. (5%)	$ 31,872,168								
Present Value of Terminal Value	**$2,969,230**								
Estimated Market Value:	$18,227,193								
Market Value Estimate, Rounded:	**$ 18,200,000**								

Cascade-2010	**(continued)**										
2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
$ 70.22	$ 71.66	$ 74.73	$ 77.80	$ 80.87	$ 83.94	$ 86.22	$ 88.50	$ 90.78	$ 93.06	$ 104.90	$ 107.52
$ 3,511,000	$ 3,583,000	$ 3,736,500	$ 3,890,000	$ 4,043,500	$ 4,197,000	$ 4,311,000	$ 4,425,000	$ 4,539,000	$ 4,653,000	$ 5,245,000	$ 5,376,125
$ 144,345	$ 147,953	$ 151,652	$ 155,443	$ 159,330	$ 163,313	$ 167,396	$ 171,581	$ 175,870	$ 180,267	$ 184,773	$ 189,393
$ 6,644	$ 6,810	$ 6,980	$ 7,155	$ 7,334	$ 7,517	$ 7,705	$ 7,898	$ 8,095	$ 8,297	$ 8,505	$ 8,717
$ 3,661,989	**$ 3,737,763**	**$ 3,895,132**	**$ 4,052,598**	**$ 4,210,163**	**$ 4,367,830**	**$ 4,486,101**	**$ 4,604,478**	**$ 4,722,965**	**$ 4,841,564**	**$ 5,438,278**	**$ 5,574,235**
$ 874,204	$ 896,059	$ 918,461	$ 941,422	$ 964,958	$ 989,082	$ 1,013,809	$ 1,039,154	$ 1,065,133	$ 1,091,761	$ 1,119,055	$ 1,147,032
$ 49,955	$ 51,203	$ 52,483	$ 53,796	$ 55,140	$ 56,519	$ 57,932	$ 59,380	$ 60,865	$ 62,386	$ 63,946	$ 65,545
$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000							
$ 87,775	$ 89,575	$ 93,413	$ 97,250	$ 101,088	$ 104,925	$ 107,775	$ 110,625	$ 113,475	$ 116,325	$ 131,125	$ 134,403
$ 1,211,934	**$ 1,236,838**	**$ 1,264,357**	**$ 1,292,468**	**$ 1,321,186**	**$ 1,150,526**	**$ 1,179,516**	**$ 1,209,159**	**$ 1,239,473**	**$ 1,270,472**	**$ 1,314,126**	**$ 1,346,979**
$ 2,450,055	**$ 2,500,926**	**$ 2,630,776**	**$ 2,760,131**	**$ 2,888,978**	**$ 3,217,304**	**$ 3,306,585**	**$ 3,395,319**	**$ 3,483,493**	**$ 3,571,092**	**$ 4,124,152**	**$ 4,227,256**

Gorham-2010									
	2010	**2011**	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**
REVENUE:									
Effective Energy Generation (MWh)	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Estimated Energy Price (MWh)	$ 48.67	$ 56.99	$ 58.91	$ 59.74	$ 61.17	$ 64.48	$ 65.92	$ 67.35	$ 68.79
Energy Generation Cash Flows	$ 1,265,420	$ 1,481,740	$ 1,531,660	$ 1,553,240	$ 1,590,420	$ 1,676,480	$ 1,713,920	$ 1,751,100	$ 1,788,540
Capacity Payments	$ 73,021	$ 70,670	$ 61,128	$ 64,723	$ 66,341	$ 68,000	$ 69,700	$ 71,442	$ 73,228
RECs	$ 2,760	$ 2,829	$ 2,900	$ 2,972	$ 3,047	$ 3,123	$ 3,201	$ 3,281	$ 3,363
Total Cash Flows:	**$ 1,341,201**	**$ 1,555,239**	**$ 1,595,688**	**$ 1,620,935**	**$ 1,659,808**	**$ 1,747,602**	**$ 1,786,820**	**$ 1,825,823**	**$ 1,865,131**
EXPENSES:									
Operating Expenses	$ 364,000	$ 373,100	$ 382,428	$ 391,988	$ 401,788	$ 411,833	$ 422,128	$ 432,682	$ 443,499
RSA 83-F Utility Tax	$ 20,000	$ 20,500	$ 21,013	$ 21,538	$ 22,076	$ 22,628	$ 23,194	$ 23,774	$ 24,368
Goebel Street Station		$ 242,021	$ 424,022						
Headwater Dam Repairs				$ 639,627	$ 639,628				
Overhaul #2, #3 & #4								$ 425,000	$ 435,000
Relicensing Costs									
Miscellaneous Capital Costs	$ 31,636	$ 37,044	$ 38,292	$ 38,831	$ 39,761	$ 41,912	$ 42,848	$ 43,778	$ 44,714
Total Expenses	**$ 415,636**	**$ 672,665**	**$ 865,754**	**$ 1,091,984**	**$ 1,103,253**	**$ 476,373**	**$ 488,170**	**$ 925,233**	**$ 947,580**
Net Operating Income	**$ 925,566**	**$ 882,575**	**$ 729,934**	**$ 528,951**	**$ 556,555**	**$ 1,271,230**	**$ 1,298,650**	**$ 900,590**	**$ 917,551**
Tax Adjusted Discount Rate	12.60%								
Tax Adjusted Going Out Rate	12.60%								
Present Value of Net Cash Flows	**$7,312,783**								
Terminal Value Less Marketing Exp. (5%)	$ 16,583,328								
Present Value of Terminal Value	**$1,544,912**								
Estimated Market Value:	$8,857,695								
Market Value Estimate, Rounded:	**$ 8,900,000**								

Gorham-2010	**(continued)**										
2019	**2020**	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**
26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
$ 70.22	$ 71.66	$ 74.73	$ 77.80	$ 80.87	$ 83.94	$ 86.22	$ 88.50	$ 90.78	$ 93.06	$ 104.90	$ 107.52
$ 1,825,720	$ 1,863,160	$ 1,942,980	$ 2,022,800	$ 2,102,620	$ 2,182,440	$ 2,241,720	$ 2,301,000	$ 2,360,280	$ 2,419,560	$ 2,727,400	$ 2,795,585
$ 75,059	$ 76,935	$ 78,859	$ 80,830	$ 82,851	$ 84,922	$ 87,045	$ 89,221	$ 91,452	$ 93,738	$ 96,082	$ 98,484
$ 3,447	$ 3,533	$ 3,621	$ 3,712	$ 3,805	$ 3,900	$ 3,997	$ 4,097	$ 4,200	$ 4,305	$ 4,412	$ 4,523
$ 1,904,226	**$ 1,943,628**	**$ 2,025,460**	**$ 2,107,342**	**$ 2,189,276**	**$ 2,271,262**	**$ 2,332,763**	**$ 2,394,319**	**$ 2,455,932**	**$ 2,517,603**	**$ 2,827,894**	**$ 2,898,591**
$ 454,586	$ 465,951	$ 477,600	$ 489,540	$ 501,778	$ 514,322	$ 527,181	$ 540,360	$ 553,869	$ 567,716	$ 581,909	$ 596,456
$ 24,977	$ 25,602	$ 26,242	$ 26,898	$ 27,570	$ 28,259	$ 28,966	$ 29,690	$ 30,432	$ 31,193	$ 31,973	$ 32,772
$ 450,000											
$ 200,000	$ 200,000	$ 200,000	$ 200,000	$ 200,000							
$ 45,643	$ 46,579	$ 48,575	$ 50,570	$ 52,566	$ 54,561	$ 56,043	$ 57,525	$ 59,007	$ 60,489	$ 68,185	$ 69,890
$ 1,175,206	**$ 738,131**	**$ 752,416**	**$ 767,007**	**$ 781,914**	**$ 597,143**	**$ 612,189**	**$ 627,575**	**$ 643,308**	**$ 659,398**	**$ 682,067**	**$ 699,118**
$ 729,019	**$ 1,205,497**	**$ 1,273,044**	**$ 1,340,335**	**$ 1,407,362**	**$ 1,674,119**	**$ 1,720,573**	**$ 1,766,743**	**$ 1,812,623**	**$ 1,858,205**	**$ 2,145,827**	**$ 2,199,473**

Riverside-2011									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
REVENUE:									
Effective Energy Generation (MWh)	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000
Estimated Energy Price (MWh)	$ 46.10	$ 45.98	$ 48.12	$ 49.83	$ 53.53	$ 55.88	$ 58.65	$ 61.99	$ 66.05
Energy Generation Cash Flows	$ 2,581,600	$ 2,574,880	$ 2,694,720	$ 2,790,480	$ 2,997,680	$ 3,129,280	$ 3,284,400	$ 3,471,440	$ 3,698,800
Capacity Payments	$ 149,042	$ 128,917	$ 136,500	$ 139,913	$ 143,410	$ 146,996	$ 150,670	$ 154,437	$ 158,298
RECs	$ 5,840	$ 5,986	$ 6,136	$ 6,289	$ 6,446	$ 6,607	$ 6,773	$ 6,942	$ 7,115
Total Cash Flows:	**$ 2,736,482**	**$ 2,709,783**	**$ 2,837,356**	**$ 2,936,682**	**$ 3,147,537**	**$ 3,282,883**	**$ 3,441,843**	**$ 3,632,819**	**$ 3,864,214**
EXPENSES:									
Operating Expenses	$ 784,000	$ 803,600	$ 823,690	$ 844,282	$ 865,389	$ 887,024	$ 909,200	$ 931,930	$ 955,228
RSA 83-F Utility Tax	$ 51,250	$ 52,531	$ 53,845	$ 55,191	$ 56,570	$ 57,985	$ 59,434	$ 60,920	$ 62,443
Goebel Street Station			$ 247,916	$ 247,917					
Headwater Dam Repairs			$ 933,333	$ 933,334					
Penstock Replacement					$ 3,000,000	$ 3,000,000	$ 3,000,000		
#1 Turbine & Electronics		$ 725,000	$ 725,000		$ 550,000				
Relicensing Costs									$ 200,000
Miscellaneous Capital Costs	$ 64,540	$ 64,372	$ 67,368	$ 69,762	$ 74,942	$ 78,232	$ 82,110	$ 86,786	$ 92,470
Total Expenses	**$ 899,790**	**$ 1,645,503**	**$ 2,851,152**	**$ 2,150,486**	**$ 4,546,902**	**$ 4,023,241**	**$ 4,050,744**	**$ 1,079,636**	**$ 1,310,141**
Net Cash Flow	**$ 1,836,692**	**$ 1,064,280**	**$ (13,796)**	**$ 786,196**	**$ (1,399,365)**	**$ (740,358)**	**$ (608,901)**	**$ 2,553,183**	**$ 2,554,073**
Tax Adjusted Discount Rate	13.60%								
Tax Adjusted Going Out Rate	13.60%								
Present Value of Net Cash Flows	**$10,640,016**								
Terminal Value Less Marketing Exp. (5%)	$ 47,611,409								
Present Value of Terminal Value	**$3,716,588**								
Estimated Market Value:	$14,356,603								
Market Value Estimate, Rounded:	**$14,400,000**								

Riverside-2011	**(continued)**										
2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000	56,000
$ 70.88	$ 76.78	$ 83.20	$ 89.72	$ 96.19	$ 103.43	$ 110.57	$ 118.52	$ 125.93	$ 133.74	$ 142.27	$ 145.83
$ 3,969,280	$ 4,299,680	$ 4,659,200	$ 5,024,320	$ 5,386,640	$ 5,792,080	$ 6,191,920	$ 6,637,120	$ 7,052,080	$ 7,489,440	$ 7,967,120	$ 8,166,298
$ 162,256	$ 166,312	$ 170,470	$ 174,732	$ 179,100	$ 183,577	$ 188,167	$ 192,871	$ 197,693	$ 202,635	$ 207,701	$ 212,893
$ 7,293	$ 7,476	$ 7,663	$ 7,854	$ 8,051	$ 8,252	$ 8,458	$ 8,670	$ 8,886	$ 9,108	$ 9,336	$ 9,570
$ 4,138,829	**$ 4,473,468**	**$ 4,837,332**	**$ 5,206,906**	**$ 5,573,790**	**$ 5,983,909**	**$ 6,388,545**	**$ 6,838,660**	**$ 7,258,659**	**$ 7,701,183**	**$ 8,184,157**	**$ 8,388,761**
$ 979,109	$ 1,003,586	$ 1,028,676	$ 1,054,393	$ 1,080,753	$ 1,107,771	$ 1,135,466	$ 1,163,852	$ 1,192,949	$ 1,222,772	$ 1,253,342	$ 1,284,675
$ 64,004	$ 65,604	$ 67,244	$ 68,926	$ 70,649	$ 72,415	$ 74,225	$ 76,081	$ 77,983	$ 79,933	$ 81,931	$ 83,979
$ 200,000	$ 200,000	$ 200,000	$ 200,000								
$ 99,232	$ 107,492	$ 116,480	$ 125,608	$ 134,666	$ 144,802	$ 154,798	$ 165,928	$ 176,302	$ 187,236	$ 199,178	$ 204,157
$ 1,342,345	**$ 1,376,683**	**$ 1,412,400**	**$ 1,448,926**	**$ 1,286,067**	**$ 1,324,988**	**$ 1,364,489**	**$ 1,405,861**	**$ 1,447,234**	**$ 1,489,941**	**$ 1,534,451**	**$ 1,572,812**
$ 2,796,484	**$ 3,096,785**	**$ 3,424,932**	**$ 3,757,979**	**$ 4,287,723**	**$ 4,658,921**	**$ 5,024,056**	**$ 5,432,799**	**$ 5,811,425**	**$ 6,211,242**	**$ 6,649,706**	**$ 6,815,949**

Cross-2011

	2011	2012	2013	2014	2015	2016	2017	2018	2019
REVENUE:									
Effective Energy Generation (MWh)	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
Estimated Energy Price (MWh)	$ 46.10	$ 45.98	$ 48.12	$ 49.83	$ 53.53	$ 55.88	$ 58.65	$ 61.99	$ 66.05
Energy Generation Cash Flows	$ 922,000	$ 919,600	$ 962,400	$ 996,600	$ 1,070,600	$ 1,117,600	$ 1,173,000	$ 1,239,800	$ 1,321,000
Capacity Payments	$ 53,229	$ 46,042	$ 48,750	$ 49,969	$ 51,218	$ 52,498	$ 53,811	$ 55,156	$ 56,535
RECs	$ 2,080	$ 2,132	$ 2,185	$ 2,240	$ 2,296	$ 2,353	$ 2,412	$ 2,472	$ 2,534
Total Cash Flows:	**$ 977,309**	**$ 967,774**	**$ 1,013,335**	**$ 1,048,809**	**$ 1,124,114**	**$ 1,172,452**	**$ 1,229,223**	**$ 1,297,429**	**$ 1,380,069**
EXPENSES:									
Operating Expenses	$ 280,000	$ 287,000	$ 294,175	$ 301,529	$ 309,068	$ 316,794	$ 324,714	$ 332,832	$ 341,153
RSA 83-F Utility Tax	$ 17,425	$ 17,861	$ 18,307	$ 18,765	$ 19,234	$ 19,715	$ 20,208	$ 20,713	$ 21,231
Goebel Street Station			$ 88,541	$ 88,542					
Headwater Dam Repairs			$ 333,333	$ 333,334					
Circuit Breaker Replacement		$ 400,000							
Relicensing Costs									$ 200,000
Miscellaneous Capital Costs	$ 23,050	$ 22,990	$ 24,060	$ 24,915	$ 26,765	$ 27,940	$ 29,325	$ 30,995	$ 33,025
Total Expenses	**$ 320,475**	**$ 727,851**	**$ 758,416**	**$ 767,085**	**$ 355,067**	**$ 364,449**	**$ 374,247**	**$ 384,540**	**$ 595,408**
Net Cash Flow	**$ 656,834**	**$ 239,923**	**$ 254,919**	**$ 281,723**	**$ 769,047**	**$ 808,003**	**$ 854,976**	**$ 912,889**	**$ 784,661**
Tax Adjusted Discount Rate	13.60%								
Tax Adjusted Going Out Rate	13.60%								
Present Value of Net Cash Flows	**$5,321,021**								
Terminal Value Less Marketing Exp. (5%)	$ 17,014,066								
Present Value of Terminal Value	**$1,328,133**								
Estimated Market Value:	$6,649,153								
Market Value Estimate, Rounded:	**$6,600,000**								

Cross-2011	**(continued)**										
2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000	20,000
$ 70.88	$ 76.78	$ 83.20	$ 89.72	$ 96.19	$ 103.43	$ 110.57	$ 118.52	$ 125.93	$ 133.74	**$ 142.27**	$ 145.83
$ 1,417,600	$ 1,535,600	$ 1,664,000	$ 1,794,400	$ 1,923,800	$ 2,068,600	$ 2,211,400	$ 2,370,400	$ 2,518,600	$ 2,674,800	$ 2,845,400	$ 2,916,535
$ 57,948	$ 59,397	$ 60,882	$ 62,404	$ 63,964	$ 65,563	$ 67,202	$ 68,882	$ 70,605	$ 72,370	$ 74,179	$ 76,033
$ 2,598	$ 2,663	$ 2,729	$ 2,797	$ 2,867	$ 2,939	$ 3,012	$ 3,088	$ 3,165	$ 3,244	$ 3,325	$ 3,408
$ 1,478,146	**$ 1,597,660**	**$ 1,727,611**	**$ 1,859,601**	**$ 1,990,632**	**$ 2,137,102**	**$ 2,281,615**	**$ 2,442,370**	**$ 2,592,370**	**$ 2,750,414**	**$ 2,922,904**	**$ 2,995,977**
$ 349,682	$ 358,424	$ 367,384	$ 376,569	$ 385,983	$ 395,633	$ 405,523	$ 415,662	$ 426,053	$ 436,704	$ 447,622	$ 458,813
$ 21,761	$ 22,305	$ 22,863	$ 23,435	$ 24,021	$ 24,621	$ 25,237	$ 25,868	$ 26,514	$ 27,177	$ 27,856	$ 28,553
$ 200,000	$ 200,000	$ 200,000	$ 200,000								
$ 35,440	$ 38,390	$ 41,600	$ 44,860	$ 48,095	$ 51,715	$ 55,285	$ 59,260	$ 62,965	$ 66,870	$ 71,135	$ 72,913
$ 606,883	**$ 619,119**	**$ 631,847**	**$ 644,864**	**$ 458,099**	**$ 471,969**	**$ 486,045**	**$ 500,789**	**$ 515,532**	**$ 530,751**	**$ 546,614**	**$ 560,279**
$ 871,263	**$ 978,541**	**$ 1,095,764**	**$ 1,214,738**	**$ 1,532,533**	**$ 1,665,134**	**$ 1,795,570**	**$ 1,941,581**	**$ 2,076,837**	**$ 2,219,662**	**$ 2,376,291**	**$ 2,435,698**

Sawmill-2011									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
REVENUE:									
Effective Energy Generation (MWh)	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000
Estimated Energy Price (MWh)	$ 46.10	$ 45.98	$ 48.12	$ 49.83	$ 53.53	$ 55.88	$ 58.65	$ 61.99	$ 66.05
Energy Generation Cash Flows	$ 875,900	$ 873,620	$ 914,280	$ 946,770	$ 1,017,070	$ 1,061,720	$ 1,114,350	$ 1,177,810	$ 1,254,950
Capacity Payments	$ 50,568	$ 43,740	$ 46,313	$ 47,471	$ 48,658	$ 49,874	$ 51,121	$ 52,399	$ 53,709
RECs	$ 1,980	$ 2,030	$ 2,080	$ 2,132	$ 2,186	$ 2,240	$ 2,296	$ 2,354	$ 2,412
Total Cash Flows:	**$ 928,448**	**$ 919,390**	**$ 962,673**	**$ 996,373**	**$ 1,067,913**	**$ 1,113,834**	**$ 1,167,767**	**$ 1,232,563**	**$ 1,311,071**
EXPENSES:									
Operating Expenses	$ 266,000	$ 272,650	$ 279,466	$ 286,453	$ 293,614	$ 300,955	$ 308,478	$ 316,190	$ 324,095
RSA 83-F Utility Tax	$ 17,425	$ 17,861	$ 18,307	$ 18,765	$ 19,234	$ 19,715	$ 20,208	$ 20,713	$ 21,231
Goebel Street Station			$ 84,114	$ 84,115					
Headwater Dam Repairs			$ 316,666	$ 316,667					
Relicensing Costs									$ 200,000
Miscellaneous Capital Costs	$ 21,898	$ 21,841	$ 22,857	$ 23,669	$ 25,427	$ 26,543	$ 27,859	$ 29,445	$ 31,374
Total Expenses	**$ 305,323**	**$ 312,351**	**$ 721,410**	**$ 729,669**	**$ 338,275**	**$ 347,212**	**$ 356,545**	**$ 366,349**	**$ 576,700**
Net Cash Flow	**$ 623,126**	**$ 607,038**	**$ 241,263**	**$ 266,704**	**$ 729,638**	**$ 766,622**	**$ 811,222**	**$ 866,214**	**$ 734,372**
Tax Adjusted Discount Rate	13.60%								
Tax Adjusted Going Out Rate	13.60%								
Present Value of Net Cash Flows	**$5,330,122**								
Terminal Value Less Marketing Exp. (5%)	$ 16,153,441								
Present Value of Terminal Value	**$1,260,952**								
Estimated Market Value:	$6,591,074								
Market Value Estimate, Rounded:	**$6,600,000**								

Sawmill-2011	**(continued)**										
2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000	19,000
$ 70.88	$ 76.78	$ 83.20	$ 89.72	$ 96.19	$ 103.43	$ 110.57	$ 118.52	$ 125.93	$ 133.74	**$ 142.27**	$ 145.83
$ 1,346,720	$ 1,458,820	$ 1,580,800	$ 1,704,680	$ 1,827,610	$ 1,965,170	$ 2,100,830	$ 2,251,880	$ 2,392,670	$ 2,541,060	$ 2,703,130	$ 2,770,708
$ 55,052	$ 56,428	$ 57,839	$ 59,285	$ 60,767	$ 62,286	$ 63,843	$ 65,439	$ 67,075	$ 68,752	$ 70,471	$ 72,232
$ 2,473	$ 2,535	$ 2,598	$ 2,663	$ 2,729	$ 2,798	$ 2,868	$ 2,939	$ 3,013	$ 3,088	$ 3,165	$ 3,244
$ 1,404,244	**$ 1,517,782**	**$ 1,641,237**	**$ 1,766,627**	**$ 1,891,106**	**$ 2,030,254**	**$ 2,167,541**	**$ 2,320,258**	**$ 2,462,758**	**$ 2,612,900**	**$ 2,776,766**	**$ 2,846,185**
$ 332,198	$ 340,502	$ 349,015	$ 357,740	$ 366,684	$ 375,851	$ 385,247	$ 394,878	$ 404,750	$ 414,869	$ 425,241	$ 435,872
$ 21,761	$ 22,305	$ 22,863	$ 23,435	$ 24,021	$ 24,621	$ 25,237	$ 25,868	$ 26,514	$ 27,177	$ 27,856	$ 28,553
$ 200,000	$ 200,000	$ 200,000	$ 200,000								
$ 33,668	$ 36,471	$ 39,520	$ 42,617	$ 45,690	$ 49,129	$ 52,521	$ 56,297	$ 59,817	$ 63,527	$ 67,578	$ 69,268
$ 587,627	**$ 599,278**	**$ 611,398**	**$ 623,792**	**$ 436,395**	**$ 449,601**	**$ 463,005**	**$ 477,043**	**$ 491,081**	**$ 505,573**	**$ 520,676**	**$ 533,693**
$ 816,617	**$ 918,504**	**$ 1,029,838**	**$ 1,142,835**	**$ 1,454,711**	**$ 1,580,652**	**$ 1,704,536**	**$ 1,843,215**	**$ 1,971,676**	**$ 2,107,327**	**$ 2,256,090**	**$ 2,312,493**

Cascade-2011									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
REVENUE:									
Effective Energy Generation (MWh)	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
Estimated Energy Price (MWh)	$ 46.10	$ 45.98	$ 48.12	$ 49.83	$ 53.53	$ 55.88	$ 58.65	$ 61.99	$ 66.05
Energy Generation Cash Flows	$ 2,489,400	$ 2,482,920	$ 2,598,480	$ 2,690,820	$ 2,890,620	$ 3,017,520	$ 3,167,100	$ 3,347,460	$ 3,566,700
Capacity Payments	$ 143,719	$ 124,313	$ 131,625	$ 134,916	$ 138,289	$ 141,746	$ 145,289	$ 148,922	$ 152,645
RECs	$ 5,620	$ 5,761	$ 5,905	$ 6,052	$ 6,203	$ 6,359	$ 6,517	$ 6,680	$ 6,847
Total Cash Flows:	**$ 2,638,739**	**$ 2,612,994**	**$ 2,736,010**	**$ 2,831,788**	**$ 3,035,112**	**$ 3,165,624**	**$ 3,318,907**	**$ 3,503,062**	**$ 3,726,192**
EXPENSES:									
Operating Expenses	$ 756,000	$ 774,900	$ 794,273	$ 814,129	$ 834,483	$ 855,345	$ 876,728	$ 898,646	$ 921,113
RSA 83-F Utility Tax	$ 41,000	$ 42,025	$ 43,076	$ 44,153	$ 45,256	$ 46,388	$ 47,547	$ 48,736	$ 49,955
Goebel Street Station			$ 239,062	$ 239,063					
Headwater Dam Repairs			$ 900,000	$ 900,000					
#2 Mechanical Overhaul						$ 300,000			
Relicensing Costs									$ 200,000
Miscellaneous Capital Costs	$ 62,235	$ 62,073	$ 64,962	$ 67,271	$ 72,266	$ 75,438	$ 79,178	$ 83,687	$ 89,168
Total Expenses	**$ 859,235**	**$ 878,998**	**$ 2,041,372**	**$ 2,064,615**	**$ 952,004**	**$ 1,277,170**	**$ 1,003,453**	**$ 1,031,069**	**$ 1,260,235**
Net Cash Flow	**$ 1,779,504**	**$ 1,733,996**	**$ 694,637**	**$ 767,172**	**$ 2,083,108**	**$ 1,888,454**	**$ 2,315,454**	**$ 2,471,993**	**$ 2,465,957**
Tax Adjusted Discount Rate	12.80%								
Tax Adjusted Going Out Rate	12.80%								
Present Value of Net Cash Flows	**$16,592,145**								
Terminal Value Less Marketing Exp. (5%)	$ 48,882,697								
Present Value of Terminal Value	**$4,395,145**								
Estimated Market Value:	$20,987,289								
Market Value Estimate, Rounded:	**$21,000,000**								

Cascade-2011	**(continued)**										
2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000	54,000
$ 70.88	$ 76.78	$ 83.20	$ 89.72	$ 96.19	$ 103.43	$ 110.57	$ 118.52	$ 125.93	$ 133.74	$ 142.27	$ 145.83
$ 3,827,520	$ 4,146,120	$ 4,492,800	$ 4,844,880	$ 5,194,260	$ 5,585,220	$ 5,970,780	$ 6,400,080	$ 6,800,220	$ 7,221,960	$ 7,682,580	$ 7,874,645
$ 156,461	$ 160,372	$ 164,382	$ 168,491	$ 172,703	$ 177,021	$ 181,447	$ 185,983	$ 190,632	$ 195,398	$ 200,283	$ 205,290
$ 7,019	$ 7,194	$ 7,374	$ 7,558	$ 7,747	$ 7,941	$ 8,139	$ 8,343	$ 8,551	$ 8,765	$ 8,984	$ 9,209
$ 3,990,999	**$ 4,313,686**	**$ 4,664,556**	**$ 5,020,929**	**$ 5,374,711**	**$ 5,770,182**	**$ 6,160,366**	**$ 6,594,406**	**$ 6,999,404**	**$ 7,426,123**	**$ 7,891,847**	**$ 8,089,144**
$ 944,140	$ 967,744	$ 991,938	$ 1,016,736	$ 1,042,154	$ 1,068,208	$ 1,094,913	$ 1,122,286	$ 1,150,343	$ 1,179,102	$ 1,208,580	$ 1,238,794
$ 51,203	$ 52,483	$ 53,796	$ 55,140	$ 56,519	$ 57,932	$ 59,380	$ 60,865	$ 62,386	$ 63,946	$ 65,545	$ 67,183
$ 200,000	$ 200,000	$ 200,000	$ 200,000								
$ 95,688	$ 103,653	$ 112,320	$ 121,122	$ 129,857	$ 139,631	$ 149,270	$ 160,002	$ 170,006	$ 180,549	$ 192,065	$ 196,866
$ 1,291,032	**$ 1,323,880**	**$ 1,358,053**	**$ 1,392,998**	**$ 1,228,530**	**$ 1,265,771**	**$ 1,303,563**	**$ 1,343,153**	**$ 1,382,735**	**$ 1,423,597**	**$ 1,466,189**	**$ 1,502,843**
$ 2,699,968	**$ 2,989,806**	**$ 3,306,502**	**$ 3,627,931**	**$ 4,146,181**	**$ 4,504,411**	**$ 4,856,803**	**$ 5,251,253**	**$ 5,616,668**	**$ 6,002,526**	**$ 6,425,659**	**$ 6,586,300**

Gorham-2011									
	2011	**2012**	**2013**	**2014**	**2015**	**2016**	**2017**	**2018**	**2019**
REVENUE:									
Effective Energy Generation (MWh)	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
Estimated Energy Price (MWh)	$ 46.10	$ 45.98	$ 48.12	$ 49.83	$ 53.53	$ 55.88	$ 58.65	$ 61.99	$ 66.05
Energy Generation Cash Flows	$ 1,198,600	$ 1,195,480	$ 1,251,120	$ 1,295,580	$ 1,391,780	$ 1,452,880	$ 1,524,900	$ 1,611,740	$ 1,717,300
Capacity Payments	$ 69,198	$ 59,854	$ 63,375	$ 64,959	$ 66,583	$ 68,248	$ 69,954	$ 71,703	$ 73,496
RECs	$ 2,700	$ 2,768	$ 2,837	$ 2,908	$ 2,980	$ 3,055	$ 3,131	$ 3,209	$ 3,290
Total Cash Flows:	**$ 1,270,498**	**$ 1,258,102**	**$ 1,317,332**	**$ 1,363,447**	**$ 1,461,344**	**$ 1,524,183**	**$ 1,597,985**	**$ 1,686,652**	**$ 1,794,085**
EXPENSES:									
Operating Expenses	$ 364,000	$ 373,100	$ 382,428	$ 391,988	$ 401,788	$ 411,833	$ 422,128	$ 432,682	$ 443,499
RSA 83-F Utility Tax	$ 20,500	$ 21,013	$ 21,538	$ 22,076	$ 22,628	$ 23,194	$ 23,774	$ 24,368	$ 24,977
Goebel Street Station			$ 115,104	$ 115,104					
Headwater Dam Repairs			$ 433,333	$ 433,334					
#2, #3 & #4 Overhaul							$ 425,000	$ 435,000	$ 450,000
Relicensing Costs									$ 200,000
Miscellaneous Capital Costs	$ 29,965	$ 29,887	$ 31,278	$ 32,390	$ 34,795	$ 36,322	$ 38,123	$ 40,294	$ 42,933
Total Expenses	**$ 414,465**	**$ 424,000**	**$ 983,680**	**$ 994,892**	**$ 459,211**	**$ 471,348**	**$ 909,025**	**$ 932,343**	**$ 1,161,408**
Net Cash Flow	**$ 856,033**	**$ 834,102**	**$ 333,651**	**$ 368,555**	**$ 1,002,133**	**$ 1,052,834**	**$ 688,961**	**$ 754,309**	**$ 632,677**
Tax Adjusted Discount Rate	12.80%								
Tax Adjusted Going Out Rate	12.80%								
Present Value of Net Cash Flows	**$7,411,676**								
Terminal Value Less Marketing Exp. (5%)	$ 23,526,807								
Present Value of Terminal Value	**$2,115,344**								
Estimated Market Value:	$9,527,020								
Market Value Estimate, Rounded:	**$9,500,000**								

Gorham-2011	**(continued)**										
2020	**2021**	**2022**	**2023**	**2024**	**2025**	**2026**	**2027**	**2028**	**2029**	**2030**	**2031**
26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000	26,000
$ 70.88	$ 76.78	$ 83.20	$ 89.72	$ 96.19	$ 103.43	$ 110.57	$ 118.52	$ 125.93	$ 133.74	$ 142.27	$ 145.83
$ 1,842,880	$ 1,996,280	$ 2,163,200	$ 2,332,720	$ 2,500,940	$ 2,689,180	$ 2,874,820	$ 3,081,520	$ 3,274,180	$ 3,477,240	$ 3,699,020	$ 3,791,496
$ 75,333	$ 77,216	$ 79,147	$ 81,125	$ 83,153	$ 85,232	$ 87,363	$ 89,547	$ 91,786	$ 94,081	$ 96,433	$ 98,843
$ 3,372	$ 3,456	$ 3,543	$ 3,631	$ 3,722	$ 3,815	$ 3,910	$ 4,008	$ 4,108	$ 4,211	$ 4,316	$ 4,424
$ 1,921,585	**$ 2,076,953**	**$ 2,245,889**	**$ 2,417,477**	**$ 2,587,815**	**$ 2,778,227**	**$ 2,966,094**	**$ 3,175,075**	**$ 3,370,074**	**$ 3,575,532**	**$ 3,799,769**	**$ 3,894,763**
$ 454,586	$ 465,951	$ 477,600	$ 489,540	$ 501,778	$ 514,322	$ 527,181	$ 540,360	$ 553,869	$ 567,716	$ 581,909	$ 596,456
$ 25,602	$ 26,242	$ 26,898	$ 27,570	$ 28,259	$ 28,966	$ 29,690	$ 30,432	$ 31,193	$ 31,973	$ 32,772	$ 33,592
$ 200,000	$ 200,000	$ 200,000	$ 200,000								
$ 46,072	$ 49,907	$ 54,080	$ 58,318	$ 62,524	$ 67,230	$ 71,871	$ 77,038	$ 81,855	$ 86,931	$ 92,476	$ 94,787
$ 726,260	**$ 742,100**	**$ 758,577**	**$ 775,428**	**$ 592,561**	**$ 610,518**	**$ 628,741**	**$ 647,830**	**$ 666,917**	**$ 686,620**	**$ 707,156**	**$ 724,835**
$ 1,195,325	**$ 1,334,853**	**$ 1,487,312**	**$ 1,642,049**	**$ 1,995,254**	**$ 2,167,709**	**$ 2,337,352**	**$ 2,527,245**	**$ 2,703,158**	**$ 2,888,912**	**$ 3,092,612**	**$ 3,169,928**

Addendum B

The proposed findings of fact and conclusions of law filed by each party are replicated below, in the form submitted and without any typographical corrections or other changes. The board's responses are in **bold face**. With respect to the board's responses, "neither granted nor denied" generally means one of the following.

a. the request contained multiple requests for which a consistent response could not be given;

b. the request contained words, especially adjectives or adverbs, that made the request overly broad or narrow so that the request could not be granted or denied;

c. the request contained matters not in evidence or not sufficiently supported to grant or deny;

d. the request was irrelevant; or

e. the request is specifically addressed in the decision.

TAXPAYER'S PROPOSED FINDINGS I (For The City Appeals)

1. The Taxpayer and the Municipality have stipulated to the following:

a. As of April 1, 2010, and April 1, 2011, GLHA was the owner and operator of the Sawmill hydroelectric facility (the "Sawmill hydro") located on Androscoggin River in the City of Berlin, New Hampshire (Map 128, Lot 264). Stipulation (Stip.) 1.
b. The Sawmill hydro consists of a dam, power house and associated equipment and land and generates electricity and related services for sale. Stip. 2.
c. The Sawmill hydro operates under a 30 year license issued by the Federal Energy Regulatory Commission ("FERC") (License #2422-004) that expires July 31, 2024. Stip. 2.a.
d. The Sawmill hydro has a nameplate generating capacity rating of approximately 3.2 Megawatts (MW). Stip. 2.a.
e. The City placed an assessed value on the Sawmill hydro as of April 1, 2010, of $ 7,300,000. Stip. 3.a.The City placed an assessed value on the Sawmill hydro as of April 1, 2011, of $7,100,000. Stip. 3.a.
f. As of April 1, 2010, and April 1, 2011, GLHA was the owner and operator of the Riverside hydroelectric facility (the "Riverside hydro") located on the Androscoggin River in the City of Berlin, New Hampshire (Map 129, Lot 49). Stip. 1.

g. The Riverside hydro consists of a dam, power house and associated equipment and land and generates electricity and related services for sale. Stip. 2.
h. The Riverside hydro operates under a 40 year FERC license (License #2432-001) that expires December 31, 2033. Stip. 2.b
i. The Riverside hydro has a nameplate generating capacity rating of approximately 7.9 MW. Stip. 2.b.
j. The City placed an assessed value on the Riverside hydro as of April 1, 2010, of $20,200,000. Stip. 3.b.
k. The City placed an assessed value on the Riverside hydro as of April 1, 2011, of $20,300,000. Stip. 3.b.
l. As of April 1, 2010, and April 1, 2011, GLHA was the owner and operator of the Cross hydroelectric facility (the "Cross hydro") located on the Androscoggin River in the City of Berlin, New Hampshire (Map 116, Lot 24). Stip. 1.
m. The Cross hydro consists of a dam, power house and associated equipment and land and generates electricity and related services for sale. Stip. 2.
n. The Cross hydro operates under a 30 year FERC license (License #2326-002) that expires July 31, 2024. Stip. 2.b.
o. The Cross hydro has a nameplate generating capacity rating of approximately 3.2 MW. Stip. 2.b.
p. The City placed an assessed value on the Cross hydro as of April 1, 2010, of $7,900,000. Stip. 3.b.
q. The City placed an assessed value on the Cross hydro as of April 1, 2011, of $7,100,000. Stip. 3.b.
r. All 2010 and 2011 taxes due the City from the Taxpayer have been paid. Stip. 4.
s. The City Equalization Rate (median ratio) for 2010 was 101.8 and for 2011 was 122.8. Stip. 5.

Neither granted nor denied because: (1) the parties filed a Stipulation to this effect; and (2) this request contains "multiple requests." (<u>See</u> above and Tax 201.36).

2. "Nameplate capacity" is the maximum generating capacity of the generator at the hydro facility as assigned by the manufacturer at the time of manufacture and stamped onto a plate attached to the generator. It is a theoretical maximum amount of power that the generators in the facility are rated to be able to produce when they are brand new and ran in ideal conditions at 100% of the time. Transcript Volume (Vol.) 1, 37-38, 43-44, 206.

Neither granted nor denied.

3. The taxes for the hydros in tax year 2010 and in tax year 2011 were as follows:

	2010	2011
Sawmill:	$213,379.00	$209,450.00
Riverside:	$590,446.00	$598,850.00
Cross:	$230,917.00	$209,450.00

Taxpayer Exhibit (TP Ex.) 5, Tab.

Neither granted nor denied.

4. The Taxpayer also pays a state utility tax of $6.60 per thousand which was estimated to be $83,905 for 2011 for all three TP Ex. 4 page 40.

Denied.

5. The Independent System Operator – New England (ISO-NE) dispatches power, manages the "grid" and sets the prices paid for electricity sold into the regional electric market. Vol. 1, 35-36, 98.

Granted.

6. The Sawmill, Riverside and Cross hydros are classified by ISO-NE and the Federal Energy Regulatory Commission (FERC) as run-of-the-river "intermittent" generators which are non-dispatchable because they do not have behind the dam water storage that they can call upon on short notice for power production. . Vol. 1, 34-35, 105, 114; Vol. 1, 34-35; 114-115; TP Ex. 5, Tab 37.

Granted.

7. The run-of-the river classification recognizes that power production at these hydros varies with the amount of water flow in the river, which flow changes seasonally and from year-to-year. Vol. 1, 45-46.

Granted.

8. These hydros receive headwater benefits from certain upstream storage dams located in Maine, which periodically release water that reaches these hydros approximately 10 hours after being released. Vol. 1, 38-42, 72-73.

Granted.

9. The Sawmill, Riverside and Cross hydros are three of six hydros owned by the Taxpayer that have been grouped by ISO-NE into what it terms the "Berlin Node." Vol. 1, 131, Vol. 2, 79, TP Ex. 1 - 4.

   Granted.

10. A source of revenue for the hydros comes from power generated by the Sawmill, Riverside and Cross hydro facilities that is sold into the grid at "day ahead" and "real time" prices set by ISO-NE. Vol. 1, 36, 56, 100, 103-104.

    Granted.

11. The prices paid for electricity sold into the grid generally reflect supply and demand market forces and historically have been volatile. Vol. 1, 35, 56, 103, 195-196, Vol. 2, 53-54, Vol. 4, 22 – 28, TP Ex. 4, 76.

    Granted.

12. The price for electricity sold into the grid in 2008 was about $80 per megawatt and in the 2010/2011 period had fallen to the mid to high $40 per megawatt range. Vol. 2, 52, 61.

    Granted.

13. The development of the shale gas resource depressed 2010 natural gas prices and this downward pressure on price is expected to continue into the foreseeable future. Vol. 2, 52, 55.

    Neither granted nor denied.

14. There is a direct correlation between natural gas prices and electricity prices in the New England market. Vol. 1, 196, Vol. 2, 50, 64 This correlation is shown graphically in figure 15 on pages 62 and 76 of Mr. Traub's appraisal. TP Ex. 4

    Granted.

15. Power generated by the Sawmill, Riverside and Cross hydros, along with power from the other hydros in the Berlin Node, is sold to Brookfield Energy Marketing LP ("BEM LP"), a marketing affiliate of GLHA, pursuant to a power purchase agreement ("PPA"). Vol. 1, 48.

    Granted.

16. The long term annual average productions for each facility is as follows: Sawmill – 18,606 MWhs, Riverside - 54,865 MWhs and Cross - 17,942 MWhs. TP. Ex. 4. Pg. 61.

    Denied.

17. For the 2010 tax year, power generated by the Sawmill, Riverside and Cross hydros, along with other power from the other hydros in the Berlin Node, was sold by BEM LP into the ISO-NE grid, except for a small amount of power (up to 2 MW) sent to the then closed paper mill formerly owned by Fraser Paper Company and now owned by Gorham Paper and Tissue. Vol. 1, 50-51, 53.

    Granted.

18. In 2011, BEM LP renegotiated the PPA with the mill and extended it until May 2021 following Gorham Paper & Tissue's purchase of the mill, and under the renegotiated agreement, up to 18 MW produced by the Berlin Node is sold to Gorham Paper & Tissue. TP Ex. 5, Tab 35; Vol. 1, 47-51, 186-189.

    Granted.

19. The PPA between Gorham Paper & Tissue and BEM LP is the result of a negotiated "arms-length" transaction between unrelated entities. Vol. 2, 58

    Denied.

20. The power generated by the hydros in the Berlin Node that is not sold to Gorham Paper & Tissue is sold into the ISO-NE grid through an interconnection at the Goebel Street transformer station, which is owned by Public Service of New Hampshire ("PSNH"). Vol. 1, 47, 50, 52-53.

    Granted.

21. In tax year 2010, two transformers capable of handling all generation from the Berlin Node were available to BEM LP at the Goebel Street Substation. Vol. 1, 53.

    Granted.

22. Beginning in June 2011, only one transformer was available to BEM LP to handle power from the Berlin Node. It was limited to approximately 15 MW and this resulted in periodic constraints on the ability to export all power to the grid. Vol. 1, 54.

    Neither granted nor denied.

23. As a result of the constraint at Goebel Street, after the spring of 2011, GLHA was forced to "spill water," i.e., generate power at less than fully available capacity, about 15% of the time in order to avoid overloading the 15 MW transformer available for Berlin Node power. Vol. 1, 54.

    Neither granted nor denied.

24. Another source of revenue for the hydros comes from capacity payments that are made to BEM LP with respect to the hydros in the Berlin Node. Vol. 1, 55, 133.

    Granted.

25. Since 2008, ISO-NE has held forward capacity auctions, which determine the price paid to generators for qualified capacity up to 3 ½ years in advance. Auction results are published on the ISO-NE web site. Vol. 1, 55, 107-108; TP Ex. 5, Tab 38;

    Granted.

26. ISO-NE capacity auction results have shown significant price volatility related to market perception of future supply and demand forces. Vol. 1, 109-112.

    Granted.

27. Qualified capacity is defined in the ISO-NE Tariff at Section III, Market Rule 1, Section III.13.1.2.2.2.1 and III.13.1.2.2.2.2. TP Ex. 5, Tab 37; Vol. 1, 117.

    Granted.

28. The amount of qualified capacity awarded to "non-dispatchable" power generators such as run-of-the-river hydro plants is determined by ISO-NE based upon median historical generation of the facility during 5,000 specified hours over a 5 year period and is publicly available on the ISO-NE website. TP Ex. 5, Tab 37; Vol. 1, 108, 115-116, 118-120; Vol. 4, 31.

    Granted.

29. The ISO-NE Capacity Energy Load and Transmission Report (CELT Report), which is a planning document published by ISO-NE, does not contain the qualified capacity awarded by ISO-NE to electricity generators. Vol. 1, 125-126, 128, 130-131, 133, 141.

    Neither granted nor denied.

30. Qualified capacity for non-dispatchable resources will always be less than the nameplate of those resources. Vol. 1, 118-120.

    Neither granted nor denied.

31. Mr. Sansoucy has been inconsistent in his methodology for accounting for both the quantity of qualified capacity and the capacity price used for his projected capacity payments:

    a. In his 4/1/08 appraisals he states: "Annual rated capacity is typically less than nameplate as it accounts for generation limitations caused by low water." TP Ex. 11, p.29, n.14. He uses half of nameplate in his DCF analysis through 2011, but then increases to 70% nameplate for the remaining years of the 2008 DCF analysis.
    b. In his 4/1/08 appraisals he uses ISO-NE auction prices for capacity pricing through 2011 and then states that capacity prices for 2011 through 2028 "are estimated to escalate at 3% for the region." TP Ex. 11p. 19. He employs that escalator in his DCF analysis.
    c. In his 4/1/10 and 4/1/11 summary assessment appraisals he uses 100% of nameplate throughout, after omitting the footnote in the 4/1/08 appraisal, and the capacity price forecast by the Ventyx service for the period after the ISO-NE auction prices. TP Ex. 5, Tabs 4-6, 11-13, 20, 21, 25, 26.
    d. In his "trial ready" appraisals he uses 90% of nameplate, based upon the Smith hydro proxy, and the Ventyx forecasts after the ISO-NE auction prices. Mun. Ex. A, p.71-72, B.

    Neither granted nor denied.

32. Mr. Sansoucy's use of the PSNH owned Smith hydro as a proxy for Sawmill, Riverside and Cross hydros in quantifying qualified capacity of the latter three hydros is unsupportable and improper because a) the qualified capacity awarded by ISO-NE for the Berlin Node is publicly available information and it is significantly less than the capacity assigned by Mr. Sansoucy; b) his statement that the qualified capacity for Smith is 90% of the Smith nameplate is by reference to the ISO-NE CELT report, which does not present data on the qualified capacity of hydros; and c) the qualified capacity for Smith, as reported by ISO-NE was actually 10.364 in 2010 and 11.469 in 2011, or 59% and 65% of nameplate, respectively. TP Ex. 5, Tab 39.

    Neither granted nor denied.

33. The capacity payment actually received by BEM LP for the Berlin Node in 2010 was $528,000, with $53,447 allocable to the Sawmill hydro, $157,741 allocable to Riverside hydro and $57,439 allocable to Cross hydro; allocations being based upon each hydro's generation as an indicator of its percentage contribution to the total qualified capacity of the Berlin Node. TP Ex. 2, 79. By way of comparison Mr. Sansoucy's projected revenue for Sawmill and Cross for 2010 was $162,000 which is more than three times the actual amount.

    Neither granted nor denied.

34. The capacity payment received by BEM LP for the Berlin Node in 2011 was $511,022, with $50,505 allocable to Sawmill hydro, $148,929 allocable to Riverside hydro and $48,703 allocable to Cross hydro; allocations being based upon each hydro's generation as an indicator of its percentage contribution to the total qualified capacity of the Berlin Node. TP Ex. 4, 81.

    Neither granted nor denied.

35. Mr. Sansoucy's inflated capacity revenues significantly and inappropriately increased the values on the subject hydros. TP. Ex. 5, tabs 54-65.

    Neither granted nor denied.

OPERATION & MAINTENANCE as well as CAPITAL EXPENSES

36. Operation and maintenance expense is a key consideration in valuing the subject hydros pursuant to an income approach.

    Granted.

37. The actual five year average of expenses not including real estate taxes for each of the hydros is as follows: Sawmill - $344,017; Riverside - $905,439; and Cross- $332,818,.

    Granted.

38. Mr. Sansoucy's failure to consider the company's actual historical expense datas for the hydros in question and, instead substitute his own judgment, dramatically and inappropriately increased the values on the hydros. Vol.6, 207:23-208:4 and Tp. Ex. 5, tabs 64,65.

    Neither granted nor denied.

39. Capital expenses and their treatment in a discounted cash flow analysis is also another key component in valuing the subject hydros.

    Granted.

40. Pursuant to a 1909 agreement, as amended in 1983, with the owner of the storage dams, the Taxpayer has a shared financial responsibility for capital improvements to the storage dams. Vol. 1, 40, 42.

    Granted.

41. In 2010 and 2011, the Upper and Middle storage dams were owned by Florida Power & Light (FPL). Vol. 1, 42, 86.

    Granted.

42. In 2010 and 2011, FPL was under a FERC order to either repair Upper and Middle dams or to remove them. Vol. 2, 36-37.

    Granted.

43. In 2010 and 2011 GLHA would have been obligated to disclose to potential buyers of the Sawmill, Riverside and Cross hydros that FPL informed GLHA and other parties that the total estimated cost of repairs to Upper and Middle dams was $37,000,000 and that GLHA would have been responsible for its proportional share of $9,250,000 under the terms of 1909 agreement, as amended in 1983. Vol. 1, 86, Tr. Vol. 2, 37-38, Tr. Vol. 4, 35 - 38.

    Denied.

44. In 2010, GLHA was informed by PSNH that GLHA was obligated to participate financially in upgrades to the Goebel Street Substation and that the GLHA share of the cost for those upgrades would be $3,500,000. Vol. 1, 198-199.

    Granted.

45. In 2011, the GLHA share of the Goebel Street upgrade costs decreased to $1,700,000 due to the participation of Gorham paper & Tissue and other factors. Vol. 1, 198-199.

    Granted.

46. In making judgments concerning the values of the Sawmill, Riverside and Cross hydros, a reasonable buyer would rely principally upon the discounted cash flow model (DCF") for valuation. Vol. 2, 18-20; Vol. 4, 18, 47, Vol. 4, 10 – 12, 18.

    Granted.

47. Mr. Sansoucy, has opined that the DCF model is most appropriate for valuing the Sawmill, Riverside and Cross hydros. TP Ex. 5, Tabs 4-6, 11-13, 20, 21, 25, 26.

    Granted.

48. The small differences in the discount rates used in Mr. Traub's appraisals for the 2010 and 2011 tax years and the discount rates used by Mr. Sansoucy in his self-contained and summary appraisals for the 2010 and 2011 tax years do not produce a material difference in the valuations by the two appraisers. TP Ex. 5, Tab 67, 14-15.

    Neither granted nor denied.

49. The comparable sales approach to value deserves no weight in the reconciliation process in valuing the Sawmill, Riverside and Cross hydros, because there are insufficient comparables and far too many variables associated with each hydro site and each hydro facility to make reliable comparisons and adjustments in a sales approach. Vol. 2, 40-42; Vol. 4, 18; TP Ex. 4, 146.

    Granted.

50. Both Mr. Traub and Mr. Sansoucy agree that no weight or consideration should be given to the cost approach in valuing the subject properties.

    Denied.

51. The reproduction cost new less depreciation approach to value is not appropriate for valuing hydros because new hydro facilities have not been built in the United States for many years and would not be built today; the era of rate regulation under which electricity rates were derived in part from the utilities' depreciated asset base has ended; adjustments for functional and economic obsolescence become guesswork; and the age of the Sawmill, Riverside and Cross hydros makes the cost approach inapplicable. Vol.2, 42-43, Vol. 4, 17.

    Neither granted nor denied.

52. The Traub appraisals employ the three approaches to value, i.e., comparable sales, cost and income, but ultimately rely on the income approach and, specifically, the discounted cash flow model. Vol. 2, 18, 40, 43; TP Ex. 1-4.

    Granted.

53. The Traub appraisals use long term averages of FERC certified generation numbers for power generation in the DCF analysis. Vol. 2, 46.

    Granted.

54. The Traub appraisals use actual expenses of these hydros, taken over a 5 year period, as the basis for projecting expenses in the DCF model. Vol. 4, 34 – 35.

    Denied.

55. The Traub appraisals allocate expenses to the Sawmill, Riverside and Cross hydros based upon their percentage contribution to the total power generated by the six hydros in the Berlin Node. Vol. 2, 47-48.

    Granted.

56. Reasonable buyers performing a DCF analysis for valuation purposes will use actual historical costs for each hydro. Vol. 4, 35.

    Neither granted nor denied.

57. Mr. Sansoucy's appraisals use what he considers to be typical costs for hydros based upon information in his files rather than actual costs. Vol. 4, 35.

    Neither granted nor denied.

58. In the DCF modeling by Mr. Traub, capital costs are booked in the year that they will be incurred. TP Ex. 1-4.

    Granted.

59. In the DCF modeling in the Sansoucy "trial-ready" appraisals, capital costs are amortized over the 20 year DCF modeling period. Mun. Ex. A, B.

    Neither granted nor denied.

60. Reasonable buyers of these hydros performing a DCF analysis would book the capital expenditure in the year that payment was made, i.e., cash in, cash out. Vol. 4, 105.

    Neither granted nor denied.

61. In a 20 year DCF analysis, the first 10 years of income have a greater impact on the derived value than the last 10 years. Vol. 2, 60.

    Granted.

62. The reasonable buyer of a hydro that does <u>not</u> have a long term PPA in place would seek at least several electricity price forecasts from credible sources rather than rely on only one forecast from one source. Vol. 4, 24, 28-30.

    Neither granted nor denied.

63. Mr. Sansoucy relies upon only one source for electricity price forecasts, i.e., Ventyx. Mun. Ex. A, B; TP Ex. 5, Tabs 4-6, 11-13, 20, 21, 25, 26.

    Neither granted nor denied.

64. The Traub appraisal for 2010 considered two years of the Annual Energy Outlook (AEO) data, prepared by the U.S. government, for future natural gas prices as an indicator of percent change in electricity prices, as well forecasts for future electricity prices prepared by Ventyx and Platts, both subscription services, and then took an average to arrive at projected future electricity prices. Vol. 2, 17, 74-76; TP Ex. 3, 77.

    Neither granted nor denied.

65. The Traub appraisal for 2011 presents two sets of values for the Sawmill, Riverside and Cross hydros, one assuming the PPA in place for the first 10 years of the DCF analysis and the other assuming that there is not PPA. TP Ex. 2, 4.

    Granted.

66. The reasonable buyer of the Sawmill, Riverside and Cross hydros would use the PPA pricing structure for the term of the PPA in their discounted cash flow analysis. Vol. 1, 186-189, 192. Vol. 2, 52, Vol. 4, 101-104.

    Neither granted nor denied.

67. Selling power under a PPA that has energy prices at or near market rates is preferable to selling power to the grid because of guaranteed power rates under a PPA and the consequent lower economic risk to the hydro owner. Vol. 1, 56-57, 194, Vol. 2, 56; Vol. 4, 21-22, 94, 101-104; TP Ex. 67, 8.

    Neither granted nor denied.

68. The correct method of computing capacity payments attributable to the Sawmill, Riverside and Cross hydros is to compute the product of the qualified capacity awarded by ISO-NE to the Berlin Node times the auction-determined price per megawatt of qualified capacity and then attribute a portion of those payments to Sawmill, Riverside and Cross based upon their percentage contribution to the total generation of the Berlin Node.

    Neither granted nor denied.

69. Given that forward capacity market has only existed for several years, the price volatility that can be expected in that market and given that ISO-NE awarded qualified capacity can differ year-to-year because of rainfall and other factors, the most prudent approach to predicting future capacity payments to the Sawmill, Riverside and Cross hydros, which will be based upon qualified capacity and price, is to take actual payments historically made on behalf of those hydros and then to escalate them going forward to the end of the DCF period. Vol. 4, 20-21.

    Neither granted nor denied.

70. The forward capacity pricing predicted by Ventyx and relied upon by Mr. Sansoucy escalates between 10% and 20% per year for up to 10 years and is overly aggressive. Vol. 4, 33-34.

    Neither granted nor denied.

71. Mr. Sansoucy's values for the Sawmill, Riverside and Cross hydros are substantially above the fair market values of those hydros in Mr. Traub's appraisal mainly due to Mr. Sansoucy's unsupportable forecasted electricity prices, capacity quantity, capacity prices and his treatment of costs. Vol. 4, 42-43.

    Neither granted nor denied.

72. The Traub appraisals are based upon a methodology that is much closer to what buyers and sellers of these types of assets use than are the appraisals of Mr. Sansoucy. TP Ex. 5, Tab 68

    Neither granted nor denied.

73. The Traub appraisals of the Sawmill, Riverside and Cross hydros for 2010 and 2011 are credible and persuasive and the values presented therein fairly represent the fair market value of GLHA's property in the Town of Gorham as follows:

	2010	2011
Sawmill	$ 5,630,000	$4,590,000
Riverside	$10,980,000	$8,650,000
Cross	$ 5,620,000	$3,850,000

    Denied (understanding this request to mean the City of Berlin).

74. The Taxpayer has met its burden of proving that the Town's assessments for 2010 and 2011 were disproportionate to the general level of assessment in the Town.

    Granted (understanding this request to mean the City of Berlin).

75. Accepting Mr. Traub's determination of fair market value results in the following revised assessments:

Berlin	2010	2011
Assessed by Municipality	$35,400,000	$34,500,000
Market Value Findings	$22,230,000	$17,090,000
Median ratio	101.8%	122.8%
Indicated Assessments	$22,630,140	$20,986,520
Over-assessment	$12,769,860	$13,513,480

Denied.

TAXPAYER'S PROPOSED FINDINGS II (For The Town Appeals)

1. The Taxpayer and the Municipality have stipulated to the following:

a. As of April 1, 2010 and April 1, 2011, GLHA was the owner and operator of the Cascade hydroelectric facility (the "Cascade hydro") located on Androscoggin River in the Town of Gorham, New Hampshire (Map U16, Lot 4). Stipulation (Stip.) 1.
b. The Cascade hydro consists of a dam, power house and associated equipment and land and generates electricity and related services for sale. Stip. 2.
c. The Cascade hydro operates under a 30 year license issued by the Federal Energy Regulatory Commission ("FERC") (License #2327) that expires July 31, 2024. Stip. 2.a
d. The Cascade hydro has a nameplate generating capacity rating of approximately 7.92 Megawatts (MW). Stip. 2.a.
e. The Town of Gorham placed an assessed value on the Cascade hydro as of April 1, 2010 of $19,000,000. Stip. 3.a.
f. The Town of Gorham placed and assessed value on the Cascade hydro as of April 1, 2011 of $20,200,000. Stip. 3.a.
g. As of April 1, 2010 and April 1, 2011, GLHA was the owner and operator of the Gorham hydroelectric facility (the "Gorham hydro") located on the Androscoggin River in the Town of Gorham, New Hampshire (Map U11, Lot 8). Stip. 1.
h. The Gorham hydro consists of a dam, power house and associated equipment and land and generates electricity and related services for sale. Stip. 2.
i. The Gorham hydro operates under a 30 year FERC license (License #2521) that expires July 31, 2024. Stip. 2.b.
j. The Gorham hydro has a nameplate generating capacity rating of approximately 4.8 MW. Stip. 2.b.
k. The Town of Gorham placed an assessed value on the Gorham hydro as of April 1, 2010 of $10,400,000. Stip. 3.b.
l. The Town of Gorham placed an assessed value on the Gorham hydro as of April 1, 2011 of $10,400,000. Stip. 3.b.
m. All 2010 and 2011 taxes due the Town from the Taxpayer have been paid. Stip. 4.

Neither granted nor denied because: (1) the parties filed a Stipulation to this effect; and (2) this request contains "multiple requests" (see above and Tax 201.36).

2. "Nameplate capacity" is the maximum generating capacity of the generator at the hydro facility assigned by the manufacturer at the time of manufacture and stamped onto a plate attached to the turbine. It is a theoretical maximum amount of power that the generators in the facility are rated to be able to produce when they are brand new and ran in ideal conditions at 100% of the time. Transcript Volume (Vol.) 1, 37-38, 43-44, 206.

   Neither granted nor denied.

3. The taxes for the hydros in tax year 2010 and tax year 2011 were as follows:

	2010	2011
Cascade:	$411,540	$495,001
Gorham:	$225,264	$264,654

TP Ex. 5, Tab 18.

   Neither granted nor denied.

4. The Taxpayer also pays a state utility tax of $6.60 per thousand which was estimated to be $-57,859-for 2011 for both facilities. TP Ex. 2 page --.

   Neither granted nor denied.

5. The Independent System Operator – New England (ISO-NE) dispatches power, manages the "grid" and sets the prices paid for electricity sold into the regional electric market. Vol. 1, 35-36, 98.

   Granted.

6. Both the Cascade and Gorham hydros are classified by ISO-NE and FERC as run-of-the-river "intermittent" generators which are non-dispatchable because they do not have behind the dam water storage that they can call upon on short notice for power production. . Vol. 1, 34-35, 105, 114; Vol. 1, 34-35; 114-115; TP Ex. 5, Tab 37.

   Granted.

7. The run-of-the river classification recognizes that power production at these hydros varies with the amount of water flow in the river, which flow changes seasonally and from year-to-year. Vol. 1, 45-46.

   Granted.

8. These hydros receive headwater benefits from certain upstream storage dams located in Maine and New Hampshire, which periodically release water that reaches these hydros approximately 10 hours after the release. Vol. 1, 38-42, 72-73.

   Granted.

9. The Cascade and Gorham hydros are two of six hydros owned by the Taxpayer that have been grouped by ISO-NE into what it terms the "Berlin Node." Vol. 1, 131, Vol. 2, 79, TP Ex. 1- 4.

   Granted.

REVENUE FROM ENERGY SALES

10. A source of revenue for the hydros comes from power generated at the Cascade and Gorham hydro facilities that is sold power into the grid at "day ahead" and "real time" prices set by ISO-NE. Vol. 1, 36, 56, 100, 103-104.

    Granted.

11. The prices paid for electricity sold into the grid generally reflect supply and demand market forces and are volatile. Vol. 1, 35, 56, 103, 195-196, Vol. 2, 53-54, Vol. 4, 22 – 28, TP Ex. 4, p. 76.

    Granted.

12. The price for electricity sold into the grid in 2008 was about $80 per megawatt and in the 2010/2011 period had fallen to the mid to high $40 per megawatt range. Vol. 2, 52, 61.

    Granted.

13. Development of the shale gas resource has depressed natural gas prices and this is expected to continue into the foreseeable future. Vol. 2, 52, 55.

    Neither granted nor denied.

14. There is a direct correlation between natural gas prices and electricity prices in the New England market. Vol. 1, 196, Vol. 2, 50, 64 This correlation is shown graphically in figure – on page – of Mr. Traub's appraisal. TP. Ex. 2 pg--.

    Granted.

15. Power generated by the Cascade and Gorham hydros, along with power from the other hydros in the Berlin Node, is sold to Brookfield Energy Marketing LP ("BEM LP"), a marketing affiliate of GLHA, pursuant to a power purchase agreement ("PPA"). Vol. 1, 48.

    Granted.

16. The long term average for each facility is as follows: Cascade – 53,202.Mwhs and Gorham – 27,130 .MWhs.

    Denied.

17. For the 2010 tax year, power generated by Cascade and Gorham hydros, along with other power from the other hydros in the Berlin Node, was sold by BEM LP into the ISO-NE grid, except for a small amount of power (up to 2 MW) sent to the then closed paper mill formerly owned by Fraser Paper Company and now owned by Gorham Paper and Tissue. Vol. 1, 50-51, 53.

    Granted.

18. In 2011, BEM LP renegotiated the PPA with the mill and extended it until 2021, following Gorham paper & Tissue's purchase of the mill, and under the renegotiated agreement, up to 18 MW produced by the Berlin Node is sold to Gorham Paper & Tissue. Taxpayer Exhibit (TP Ex.) 5, Tab 35; Vol. 1, 47-51, 186-189.

    Granted.

19. The PPA between Gorham Paper & Tissue and BEM LP is the result of a negotiated "arms-length" transaction between unrelated entities.

    Denied.

20. The power generated by the hydros in the Berlin Node that is not sold to Gorham Paper & Tissue is sold into the ISO-NE grid through an interconnection at the Goebel Street transformer station, which is owned by Public Service of New Hampshire ("PSNH"). Vol. 1, 47, 50, 52-53.

    Granted.

21. In tax year 2010, two transformers capable of handling all generation from the Berlin Node were available to BEM LP at the Goebel Street station. Vol. 1, 53.

    Granted.

22. Beginning in the spring of, 2011, only one transformer was available to BEM LP to handle power from the Berlin Node. It was limited to 15 MW and this resulted in periodic constraints on the ability to export all power to the grid. Vol. 1, 54.

    Neither granted nor denied.

23. As a result of the constraint at Goebel Street after the spring of 2011, GLHA was forced to "spill water," i.e., generate power at less than fully available capacity, about 15% of the time in order to avoid overloading the transformer. Vol. 1, 54.

    Neither granted nor denied.

REVENUE FROM CAPACITY PAYMENTS

24. Another source of revenue for the hydros comes from capacity payments that are made to BEM LP with respect to the hydros in the Berlin Node. Vol. 1, 55, 133.

    Granted.

25. Since 2008, ISO-NE has held forward capacity auctions which determine the price paid to generators for qualified capacity up to 3 ½ years in advance. Auction results are published on the ISO-NE web site. Vol. 1, 55, 107-108; TP Ex. 5, Tab 38.

    Granted.

26. ISO-NE capacity auction results have shown significant price volatility related to market perception of future supply and demand forces. Vol. 1, 109-112.

    Granted.

27. Qualified capacity is defined in the ISO-NE Tariff at Section III, Market Rule 1, Section III.13.1.2.2.2.1 and III.13.1.2.2.2.2. TP Ex. 5, Tab 37; Vol. 1, 117.

    Granted.

28. The amount of qualified capacity awarded to "non-dispatchable" power generators such as run-of-the-river hydro plants is determined by ISO-NE based upon median historical generation of the facility during 5,000 specified hours over a 5 year period and is published on the ISO-NE web site. TP Ex. 5, Tab 37; Vol. 1, 108, 115-116, 118-120; Vol. 4, 31.

    Granted.

29. The ISO-NE Capacity Energy Load and Transmission Report (CELT Report), which is a planning document published by ISO-NE, does not contain the qualified capacity awarded by ISO-NE to electricity generators. Vol. 1, 125-126, 128, 130-131, 133, 141.

    Neither granted nor denied.

30. Qualified capacity for non-dispatchable resources will always be less than the nameplate of those resources. Vol. 1, 118-120.

    Neither granted nor denied.

31. Mr. Sansoucy has been inconsistent in his methodology for accounting for both the quantity of qualified capacity and the capacity price used for his projected capacity payments:
    a. In his 4/1/08 appraisals he states: "Annual rated capacity is typically less than nameplate as it accounts for generation limitations caused by low water." p. __, n. 13. He then uses in his DCF analysis the ISO-NE awarded capacity through 2011 but reverts to nameplate for the remaining years of the DCF analysis.
    b. In his 4/1/08 appraisals he uses ISO-NE auction prices for capacity pricing through 2011 and then states that capacity prices for 2011 through 2028 "are estimated to escalate at 3% for the region." p. 19. He employs that escalator in his DCF analysis.
    c. In his 4/1/09 appraisals he omits the statement concerning rated capacity being less than nameplate and uses the nameplate throughout the DCF analysis.
    d. In his 4/1/09 appraisals he omits the reference to the 3% escalator for capacity prices and uses the capacity price forecast by the Platts service for the period after the ISO-NE auction prices.
    e. In his 4/1/10 and 4/1/11 appraisals he uses nameplate throughout and the capacity price forecast by the Ventyx service for the period after the ISO-NE auction prices.
    f. In his "trial ready" appraisals he uses 90% of nameplate, based upon the Smith hydro proxy, and the Ventyx forecasts after the ISO-NE auction prices.

    Neither granted nor denied.

32. Mr. Sansoucy's use of the PSNH owned Smith hydro as a proxy for Cascade and Gorham in quantifying qualified capacity of the latter two hydros is unsupportable and improper because a) the qualified capacity awarded by ISO-NE for the Berlin Node is publicly available information and it is significantly less than the qualified capacity assigned by Mr. Sansoucy and b) his statement that the qualified capacity for Smith is 90% of the Smith nameplate is by reference to the ISO-NE CELT report, which does not present data on the qualified capacity of hydros and c) the qualified capacity for Smith, as reported by ISO-NE was actually 10.364 in 2010 and 11.469 in 2011, or 59 and 65% of nameplate, respectively. TP Ex. 5, Tab 39.

    Neither granted nor denied.

33. The capacity payment actually received by BEM LP for the Berlin Node in 2010 was $528,000, with $73,769 allocable to the Gorham hydro and $136.371 allocable to the Cascade hydro; allocations being based upon each hydro's percentage contribution to the total qualified capacity of the Berlin Node. TP Ex. 2, 79. By way of comparison Mr. Sansoucy's projected revenue for Gorham for 2010 was $243,000 and $378,000 for Cascade.

    Neither granted nor denied.

34. The capacity payment received by BEM LP for the Berlin Node in 2011 was $511,022, with $73,643 allocable to the Gorham hydro and $145,330 allocable to the Cascade hydro; allocations being based upon each hydro's percentage contribution to the total qualified capacity of the Berlin Node. TP Ex. 4, 81

    Neither granted nor denied.

35. Mr. Sansoucy's inflated capacity revenues significantly and inappropriately increased the values on the subject hydros. TP. Ex. 5, tabs 54-65

    Neither granted nor denied.

Operation & Maintenance as well as Capital Expenses

36. Operation and maintenance expense is a key consideration in valuing the subject hydros pursuant to an income approach.

    Granted.

37. The actual five year average of expenses not including real estate taxes for each of the hydros is as follows: Gorham - $470,624 and Cascade - $872,087. TP Ex 2, p 80-81

    Granted.

38. Mr. Sansoucy's failure to consider the company's actual historical expense data s for the hydros in question and, instead substitute his own judgment dramatically and inappropriately increased the values on the hydros. Vol.6, 207:23-208:4 andTp. Ex. 5, tabs 64,65.

    Neither granted nor denied.

39. Capital expenses and their treatment in a discounted cash flow analysis is also another key component in valuing the subject hydros.

    Granted.

40. Pursuant to a 1909 agreement with the owner of the storage dams, the Taxpayer has a shared responsibility to financially participate in capital improvements to the storage dams. Tr. Vol. 1, 40, 42.

    Granted.

41. In 2010 and 2011, the Upper and Middle storage dams were owned by Florida Power & Light (FPL). Tr. Vol. 1, 42, 86.

    Granted.

42. In 2010 and 2011, FPL was under a FERC order either to repair Upper and Middle dams or to remove them. Tr. Vol. 2, 36-37.

    Granted.

43. In 2010 and 2011 GLHA would have been obligated to disclose to potential buyers of the Cascade and Gorham hydros that FPL informed GLHA and other parties that the estimated cost of repairs to Upper and Middle dams was $37,000,000 and that GLHA would have been responsible for its proportional share of that amount under the terms of 1909 agreement. Tr. Vol. 1, 86, Tr. Vol. 2, 37-38, Tr. Vol. 4, 35 - 38.

    Denied.

44. In 2010, GLHA was informed by PSNH that GLHA was obligated to participate financially in upgrades to the Goebel Street station and that the GLHA share of the cost for those upgrades would be $3,500,000. Vol. 1, 198, 199

    Granted.

45. In 2011, the GLHA share of the Goebel Street upgrade costs had decreased to $1,700,000 due to the participation of Gorham paper & Tissue and other factors. Vol. 1, 198-199

    Granted.

VALUATION OF THE CASCADE AND GORHAM HYDROS

46. In making judgments concerning the values of the Cascade and Gorham hydros, a reasonable buyer would rely principally upon the discounted cash flow model (DCF") for valuation. Tr. Vol. 2, 18-20; Vol. 4, 18, 47, Tr. Vol. 4, 10 – 12, 18.

    Granted.

47. Mr. Sansoucy, has opined that the DCF model is most appropriate for valuing the Cascade and Gorham hydros. TP Ex. 5, Tabs 4-6, 11-13, 20, 21, 25, 26.

    Granted.

48. The small differences in the discount rates used in Mr. Traub's appraisals for the 2010 and 2011 tax years and the discount rates used by Mr. Sansoucy in his self-contained and summary appraisals for the 2010 and 2011 tax years do not produce a material difference in the valuations by the two appraisers. TP Ex. 5, Tab 67, 14-15.

    Neither granted nor denied.

49. The comparable sales approach to value deserves no weight in the reconciliation process in valuing the Cascade and Gorham hydros, because there are insufficient comparables and far too many variables associated with each hydro site and each hydro facility to make reliable comparisons and adjustments in a sales comparison approach. Vol. 2, 40-42; Vol. 4, 18; TP Ex. 4, 146.

    Granted.

50. Both Mr. Traub and Mr. Sansoucy agree that no weight or consideration should be given to the cost approach in valuing the subject properties.

    Denied.

51. The reproduction cost new less depreciation approach to value is not appropriate for valuing hydros because new hydro facilities have not been built in the United States for many years and would not be built today; the era of rate regulation under which electricity rates were derived in part from the utilities' depreciated asset base has ended; adjustments for functional and economic obsolescence become guesswork; and the age of the Cascade and Gorham hydros makes the cost approach inapplicable. Vol.2, 42-43, Vol. 4, 17.

    Neither granted nor denied.

52. The Traub appraisals employ the three approaches to value, i.e., comparable sales, cost less depreciation and income, but ultimately rely on the income approach and, specifically, the discounted cash flow model. Vol. 2, 18, 40, 43; TP Ex. 1-4.

    Granted.

53. The Traub appraisals use long term averages of FERC certified generation numbers for power generation in the DCF analysis. Vol. 2, 46.

    Granted.

54. The Traub appraisals use actual expenses of these hydros, taken over a 5 year, period as the basis for projecting expenses in the DCF model. Vol. 4, 34 – 35.

    Denied.

55. The Traub appraisals allocate expenses to the Cascade and Gorham hydros based upon their percentage contribution to the total power generated by the six hydros in the Berlin Node. Vol. 2, 47-48.

    Granted.

56. Reasonable buyers performing a DCF analysis for valuation purposes will use actual historical costs for each hydro. Vol. 4, 35.

    Neither granted nor denied.

57. Mr. Sansoucy's appraisals use what he considers to be typical costs for hydros based upon information his files rather than actual costs. Vol. 4, 35.

    Neither granted nor denied.

58. In the DCF modeling by Mr. Traub, capital costs are booked in the year that they will be incurred. TP Ex. 1-4.

    Granted.

59. In the DCF modeling in the Sansoucy "trial ready" appraisals, capital costs amortized over the 20 year DCF modeling period. Mun. Ex. A,B.

    Neither granted nor denied.

60. Reasonable buyers of these hydros performing a DCF analysis would book the capital expenditure in the year that payment was made, i.e., cash in, cash out. Vol. 4, 105.

    Neither granted nor denied.

61. In a 20 year DCF analysis, the first 10 years of income have a greater impact on the derived value than the last 10 years. Vol. 2, 60.

    Granted.

62. The reasonable buyer of a hydro that does <u>not</u> have a long term PPA in place would seek at least several electricity price forecasts from credible sources rather than rely on only one forecast from one source. Vol. 4, 24, 28-30.

    Neither granted nor denied.

63. Mr. Sansoucy relies upon only one source for electricity price forecasts, i.e., Ventyx. Mun. Ex. A, B; TP Ex. 5, Tabs 4-4, 11-13, 20, 21,25, 26.

    Neither granted nor denied.

64. The Traub appraisal for 2010 referenced the Annual Energy Outlook (AEO), prepared by the U.S. government, for future natural gas prices, as well forecasts for future electricity prices prepared by Ventyx and Platts, both subscription services, and then took an average to arrive at predicted future electricity prices. Vol. 2, 17, 74-76; TP Ex. 3, 77.

    Neither granted nor denied.

65. The Traub appraisal for 2011 presents two sets of values for the Cascade and Gorham hydros, one assuming the PPA in place for the first 10 years of the DCF analysis and the other assuming that there is not PPA. TP Ex. 2, 4

    Granted.

66. The reasonable buyer of the Cascade and Gorham hydros would use the PPA pricing structure for the term of the PPA in their discounted cash flow analysis. Vol. 1, 186-189, 192. Vol. 2, 52, Vol. 4, 101-104.

    Neither granted nor denied.

67. Selling power under a PPA that has energy prices at or near market rates is preferable to selling power to the grid because of guaranteed power rates under a PPA and the consequent lower economic risk to the hydro owner. Vol. 1, 56-57, 194, Vol. 2, 56; Vol. 4, 21-22, 94, 101-104; TP Ex. 67, 8.

    Neither granted nor denied.

68. The correct method of computing capacity payments attributable to the Cascade and Gorham hydros is to compute the product of the qualified capacity awarded by ISO-NE to the Berlin Node times the auction-determined price per megawatt of qualified capacity and then attribute a portion of those payments to Cascade and Gorham based upon their percentage contribution to the total generation of the Berlin Node.

    Neither granted nor denied.

69. Given that forward capacity market has only existed for several years and given the price volatility that can be expected in that market and that ISO-NE awarded qualified capacity can differ year-to-year because of hydrology and other factors, the most prudent approach to predicting future capacity payments to the Cascade and Gorham hydros, which will be based upon qualified capacity and price, is to take actual payments historically made on behalf those hydros and then to escalate them going forward to the end of the DCF period. Vol. 4, 20-21.

    Neither granted nor denied.

70. The forward capacity pricing predicted by Ventyx and relied upon by Mr. Sansoucy escalate between 10% and 20% per year for up to 10 years and are overly aggressive. Vol. 4, 33-34.

    Neither granted nor denied.

71. Mr. Sansoucy's values for the Cascade and Gorham hydros are substantially above the fair market values of those hydros in Mr. Traub's appraisal mainly due to Mr. Sansoucy's unsupportable predicted electric prices, capacity quantity, capacity prices and his treatment of costs. Vol. 4, 42-43.

    Neither granted nor denied.

72. The Traub appraisals are based upon a methodology that is much closer to what buyers and sellers of these types of assets use than are the appraisals of Mr. Sansoucy. TP Ex. 5, 67.

    Neither granted nor denied.

73. The Traub appraisals of the Cascade and Gorham hydros for 2010 and 2011 are credible and persuasive and the values presented therein fairly represent the fair market value of GLHA's property in the Town of Gorham as follows:

	2010	2011
Cascade	$ 14,340,000	$ 13,490,000
Gorham	$ 7,140,000	$ 6,310,000

    Denied.

74. The Taxpayer has met its burden of proving that the Town's assessments for 2010 and 2011 were disproportionate to the general level of assessment in the Town.

    Denied.

75. Accepting Mr. Traub's determination of fair market value results in the following revised assessments:

Gorham	2010	2011
Assessed by Municipality	$29,400,000	$30,600,000
Market Value Findings	$21,480,000	$19,800,000
Median ratio	120.1%	114.2%
Indicated Assessments	$25,797,480	$22,611,600
Over-assessment	**$ 3,602,520**	**$ 7,988,400**

Denied.

CITY'S PROPOSED FINDINGS

1. The City hereby incorporates by reference the Stipulations for the 2010 and 2011 Tax Years entered into between the City and Great Lakes Hydro America, LLC ("GLHA") and as submitted to the BTLA. (A copy of which is attached hereto).

Granted.

2. That the highest and best uses of GLHA's properties on April 1 of each of the Tax Years under appeal are as hydro-electric facilities. Transcript V at 150.

Granted.

3. That the City's expert, George E. Sansoucy, is a well-respected utility appraiser in the State of New Hampshire and is a certified Professional Engineer, Real Estate Appraiser, New Hampshire Assessor, and New Hampshire Assessor Supervisor. See Muni. Ex. B, Tab R, at 3 (Resume of Skip Sansoucy).

Neither granted nor denied.

4. That Mr. Sansoucy has been valuing power-generating assets in the state of New Hampshire since the 1980s, including these facilities and the adjacent PSNH Smith hydro, which he has been valuing since 1992, and has owned and sold approximately a dozen hydro-electric dams in New Hampshire during that time. See Transcript V at 10-11 (ownership of hydro-electric facilities); Transcript V at 13-19 (experience valuing and assessing hydro-electric and other power-generating facilities).

Granted.

5. That in his 2010 merchant based income approach, GLHA's expert, Stephen Traub, used an unreliable escalation model for his Merchant Plant power price forecast, as he relied upon an average rate of increase in wellhead natural gas prices as reported by the Annual Energy Outlook (AEO), the Ventyx Study, and Platt's.

Neither granted nor denied.

6. That Mr. Traub does not have a subscription to Platt's or Ventyx and does not know the methodology by which the Ventyx Reports are generated but rather, "borrowed" this information from previous reports authored by Mr. Sansoucy. See Transcript II at 74; Transcript II at 180-81.

Neither granted nor denied.

7. That in the City's Income Approach, Mr. Sansoucy, relied upon his own subscription to the Ventyx Report and had knowledge of the five (5) independent price forecasts specifically related to the price of power in New England contained therein. See Muni Ex. B at 73-74; Muni Ex. B, Tab H.

Granted.

8. That in his 2011 Merchant-Plant Income Approach, Mr. Traub's income calculation does not accurately reflect the market price of power because it relies solely upon the rate of increase in well-head natural gas prices at Henry Hub in Louisiana as reported by the AEO. See Taxpayer Ex. 4 at 78 (2011 Merchant Plant Income Approach relied on AEO for projection); Transcript IV at 75 (stating that AEO is price of gas at Henry Hub in Louisiana).

Neither granted nor denied.

9. That the rate of change of well-head natural gas prices in Louisiana reported by the AEO does not accurately reflect the rate of change of the price of power in the ISO-NE. See Transcript V at 222-23; see also Muni. Ex. J.

Neither granted nor denied.

10. That Mr. Traub's Merchant Plant Income Approaches are entitled to little or no weight because he relied upon an unreliable and inaccurate projection for the market price of power in the ISO-NE market.

Denied.

11. That Mr. Traub's income calculation for his PPA based approach for the 2011 Tax Year is flawed because he relied upon a non-arm's length agreement between Brookfield Energy Marketing, Inc. ("BEMI") and Gorham Paper and Tissue ("Gorham Paper and Tissue"). See e.g., Taxpayer Ex. 4 at 71-72, 79 (2011 PPA Approach).

Granted.

12. That the PPA between BEMI and GPT was not an arm's length transaction because it was a continuation of a non-arm's length transaction between BEMI and Fraser Paper, an affiliated entity, and utilized a rate of increase that was only 40% of the increase in the Consumer Price Index. See Taxpayer Ex. 5, Tab 35 (PPA Assignment); Muni. Ex. F (Brookfield corporate family); see also Muni. Ex. P (Revenue Suppression Chart).

Neither granted nor denied.

13. That the PPA between BEMI and GPT was not an arm's length transaction because it was executed simultaneously with BEMI selling the mill owned by Fraser, a company in bankruptcy, to GPT. See Muni. Ex. CC; Transcript III at 37-38 (PPA part of purchase of mill); Transcript V at 106-107 (history of GPT's purchase of Fraser Mill).

Neither granted nor denied.

14. That in calculating the income of a property, it is the potential for earning income, and not the actual income, that reflects the fair value of the property. See DeMoulas v. Salem, 116 N.H. 775, 781 (1976).

Granted.

15. That where actual income from a long term agreement does not reflect the true value of the property because the agreement is made under circumstances that result in the agreement not reflecting market conditions, the BTLA may reject or give little weight to the capitalization of actual income in estimating market value for purposes of taxation. See id.

Granted.

16. That Mr. Traub relied solely on this PPA for the PPA Approach found in his 2011 Report's Income Approach and therefore, must be given little weight because it does not accurately reflect GLHA's potential for earning income. See id.

Neither granted nor denied.

17. That Mr. Traub's estimation of GLHA's capacity payments relied upon an under-estimated amount of capacity because he relied solely upon the amount of capacity that is being entered into the ISO-NE market-place. See Taxpayer Ex. 3 at 146-47 (2010 Appraisal); Taxypayer Ex. 4 at 160-161 (2011 Appraisal).

Neither granted nor denied.

18. That GLHA's reported capacity is under-estimated because a portion of GLHA's capacity—8.8 MW— is subject to a "Bilateral Obligation," wherein it is guaranteed to a consumer—i.e. GPT—to offset that consumer's capacity obligations to a distributor, historically PSNH. See Muni. Ex. LL; Transcript VI at 231-32.

Neither granted nor denied.

19. That Mr. Sansoucy's estimation of capacity is entitled to more weight than Mr. Traub's because he relied upon the ratio of capacity to nameplate as reported by nearby facilities on the Androscoggin River, including PSNH Smith and Brookfield Errol to determine the estimated capacity of the GLHA facilities. See Muni. Ex. B at 74-75.

Denied.

20. That Mr. Traub's estimation of the price of capacity is entitled to little or no weight because he relied solely upon previous forward capacity auctions ("FCA") and applied an inflation-based escalation rate of 5.4% to the last FCA price, resulting in forecasted capacity prices that were below market value. See e.g., Taxpayer Ex. 3 at 78-80, 146-147(2010 Report); Taxpayer Ex. 4 at 80-83, 160-61 (2011 Report).

Neither granted nor denied.

21. That Mr. Sansoucy's forecast of the price of capacity payments is entitled to more weight because he relied upon the Ventyx Study for the forecasted price of capacity payments. See Transcript V at 121-22.

Neither granted nor denied.

22. That Mr. Traub relied solely upon a single itemized sheet of expenses provided by the company without any corroborating documentation or substantiation. Transcript III at 71-72; Taxpayer Ex. 3 at 82-83; Taxpayer Ex. 4 at 85-87; see also Cheney East Corp., v. Newmarket, BTLA Docket 10016-90 (Decided February 2, 1994).

Neither granted nor denied.

23. That the income method used by Mr. Traub is flawed because he did not take any action to independently verify the accuracy of the line items in the spreadsheet. See THE APPRAISAL INSTITUTE, The Appraisal of Real Estate at 473-474, 481-490 (13th ed. 2001) (stating that an appraiser estimates income and expenses after researching "income and expense histories of the subject property" and "income and expense histories of competitive properties").

Neither granted nor denied.

24. That in the income approach in Mr. Traub's 2011 Appraisal, Mr. Traub averaged the per MW expense calculation for all three facilities, resulting in Riverside having a per MW expense ratio $1.01 per MW higher than the expense ratio calculated based on Riverside's reported expenses. See Taxpayer Ex. 4 at 87-89.

Denied.

25. That the income approach in Mr. Traub's 2010 Appraisal is similarly flawed because Mr. Traub utilized the same averaging of the subject facilities' average expense per MWh ratios. See e.g., Taxpayer Ex. 3 at 82-85.

Denied.

26. That the net result of this averaging resulted in Riverside's net income for each year in Mr. Traub's 2011 DCF to be reduced based upon expenses incurred at GLHA's other Berlin facilities. See Taxpayer Ex. 4 at 88.

Neither granted nor denied.

27. That Mr. Sansoucy's expense calculations are entitled to more weight because they were generated after consideration of GLHA's expense data, expense data from comparable companies, and over thirty years of valuing hydro-electric assets in the State of New Hampshire. See Transcript V at 10, 13, 191-92; Transcript VI at 130-32.

Neither granted nor denied.

28. That Mr. Traub relied upon inaccurate statements that the costs of the Upper and Middle Headwater Dams were $37.5 million. See e.g., Taxpayer Ex. 3 at 88; Taxpayer Ex. 4 at 92.

Neither granted nor denied.

29. That the expenses relied upon by Mr. Traub with regard to the Upper and Middle Headwater Dam are contradicted by a 2009 Federal Energy Regulatory Commission Order, sustaining GLHA's denial of approval for a proposed $35 million Headwater Dam Replacement. See Muni Ex. Y at 1, 6, 8, 16.

Neither granted nor denied.

30. That the expenses relied upon by Mr. Traub are further contradicted by a 2009 Financial Statement authored by Deloitte Touch, GLHA's accounting firm, and the 2009 Hatch Report commissioned by Brookfield, both of which depict the cost of the Headwater Dam at approximately $25 million. See Muni. Ex. B. Tab I (Deloiitte Touche Consolidated Financial Statements stating that project estimated to cost $25 million); See Muni Ex. B, Tab 10, Page 24 (Hatch Report stating that the project should cost $25,609,969).

Neither granted nor denied.

31. That Mr. Traub's calculation of FERC relicensing costs are higher than those seen on the market of comparable companies, and, thus, unreliable. See Taxpayer Ex. 3 at 109-10, 113-14 (FERC relicensing costs in 2010 Appraisal); Taxpayer's Ex. 4 at 115-16, 123-24 (2011 FERC relicensing costs in 2011 Appraisal); Transcript V at 195-96 (Traub's relicensing costs far exceed those of other comparable hydro-electric facilities in New Hampshire).

Neither granted nor denied.

32. That Mr. Traub did not reliably incorporate large capital improvements, including but not limited to, the penstock replacements at Riverside, the Headwater Dam expenses, the FERC relicensing, the Goebel Street Substation Repairs, and Turbine Electronics at Riverside, into his Discounted Cash Flow analysis ("DCF") because he allocated the entirety of those capital improvements in the year those improvements were purportedly made, rather than spreading those expenses across the life of the DCF. See Transcript V at 227 (re-licensing should be funded throughout the life of the license); See Muni. Ex. A, Tab I, Appendix A (Headwater Benefits Agreement stating that Appendix provides for "debt service, including interest and principal for major capital expenditures"); Muni. Ex. B, Tab I at 15 (Consolidated Financial Statement providing that the cost of Headwater dams will be "deferred until the project is completed at which point the costs will begin to amortize"); Municipalities' Ex. B Tab M. at 110 (Brookfield Asset Management will amortize expenses over the life of the asset).

Neither granted nor denied.

33. That Mr. Sansoucy's DCF, wherein he amortized the cost of large capital expenditures, is in line with sound appraisal theory and accurately reflects the reality of how these expenditures would be paid for. See Muni. Ex. B at 77.

Denied.

34. That Mr. Sansoucy accurately accounted for and verified the accuracy of large capital expenditures. See Muni. Ex. at 76; Muni Ex., Tabs J, K and L (Sawmill, Riverside, and Cross DCFs).

Neither granted nor denied.

35. That Mr. Traub did not reliably account for increases in capacity or efficiency in his 2010 and 2011 DCFs when he reduced annual gross income by the cost of capital improvements and did not account for any corresponding increases in capacity, efficiency, power production, or Renewable Energy Credits resulting from said capital improvements. See e.g., Taxpayer Ex. 3 at 109-114; Taxpayer Ex. 4 at 115-126 .

Neither granted nor denied.

36. That Mr. Traub erroneously applied a Beta of .9 in 2010 and 1.0 in 2011, which are used for determining volatility as it relates to small cap stocks, see Transcript V at 237; this practice increases the applicable Equity Rate entering Mr. Traub's calculation of the Discount Rate. See Taxpayer Ex. 3 at 100 (2010 Beta Analysis); Taxpayer Ex. 4 at 102 (2011 Beta application).

Neither granted nor denied.

37. That Mr. Traub erroneously applied a substantial size premium on GLHA of 3.99 in 2010 and 4.07 in 2011 based upon GLHA's capitalization of $1 million and $431 million and falling into the 9th and 10th Decile of the NYSE Amex and Nasdaq Market System. See Taxpayer Ex. 3 at 97-98 (2010 Discount Rate Calculation); Taxpayer Ex. 4 at 101 (2011 Discount Rate Calculation).

Neither granted nor denied.

38. That Mr. Traub erroneously selected a Debt Ratio based upon an averaging of Debt Ratios of corporate entities, including non-hydro generators of electricity. See e.g., Taxpayer Ex. 4 at 107-109.

Neither granted nor denied.

39. That Mr. Traub disregarded Brookfield's Debt Rate of 4.79% as reflected in their 2011 Annual Report, and elected a Debt Rate of 6.16% for his 2011 Report. See Taxpayer Ex. 4 at 109 (Traub's Debt Rate for 2011); see Taxpayer Ex. 4 at 106 (stating that Brookfield Renewable Energy Partner's Debt Rate for a ten year term was 4.79%).

Neither granted nor denied.

40. That Mr. Traub erroneously did not give consideration to Brookfield's reported discount rate. See e.g., Taxpayer Ex. 3 at 92-104; Taxpayer Ex. 4 at 95-110.

Neither granted nor denied.

41. That the Income Approach used by Mr. Traub is unreliable because it may be manipulated for tax or other reasons; it relies upon capitalization methods and rates that can be chosen with specific ends in mind; and it fails to recognize that property may be purchased for reasons such as capital appreciation or tax benefits that have nothing to do with positive income values. Public Service Co. v. Farmington, BTLA Docket No. 1281-81, 1940-82 (April 3, 1990) at 3 (copy attached); Public Service Co. v. Town of Newmarket, BTLA Docket Nos. 1292-81, 2078-82, 2615-83, 2910-84 at *4 (Decided January 17, 1990); Public Service Co. of NH v. Deerfield, BTLA Docket Nos. 1369-81, 22, 28-82, 2617-83 at *4 (Decided January 22, 1990); Public Service Co. v. Town of Greenland, TLA Docket Nos. 1256-81, 1937-82 at *4 (Decided February 28,1990).

Neither granted nor denied.

42. That the income method relied upon by Mr. Traub is not reliable because the income figures used are for the valuing a going concern and not the value of the fee simple interests in real estate. Public Service Co, v Farmington, supra at 3, 4.

Neither granted nor denied.

43. That Mr. Sansoucy has reasonably determined the applicable income, expenses, and discount rate and has reliably applied the income approach to the facts and figures of the subject hydro-electric facilities for Tax Years 2010 and 2011.

Denied.

44. That the Values of the Subject Assets under the Income Approach for 2010 and 2011 are as follows:

a. Riverside: 2010: $21,300,000
b. Riverside 2011: $18,800,000
c. Sawmill: 2010: $7,400,000
d. Sawmill: 2011: $7,000,000
e. Cross: 2010: $8,000,000
f. Cross: 2011: $8,000,000

See Muni B. at pages 1-6 (Summary of Values under all Approaches for 2010 and 2011).

Denied.

45. That Mr. Traub did not conduct an independent Comparable Sales analysis. See Transcript III at 188-189 (stating that he “got [his Comparable Sales] from another appraiser, basically”).

Neither granted nor denied.

46. That Mr. Traub did not generate a reliable Comparable Sales Approach in his 2010 and 2011 Reports because he erroneously generated a Gross Revenue Multiplier based solely upon the estimated price per kWh in existence at the time of his five analyzed Comparable Sales. See Taxpayer Ex. 3 at 118-20 (2010 Comparable Sales Approach); Taxpayer Ex. 4 at 130-32 (2011 Comparable Sales Approach).

Neither granted nor denied.

47. That the Comparable Sales Approach utilized by Mr. Traub in his 2010 and 2011 Reports should be given little or no weight because he applied his Gross Revenue Multiplier to the estimated income of each facility for the starting tax year only, thereby reducing the value of all three facilities for the 2010 and 2011 Tax Years. See Taxpayer Ex. 3 at 120; Taxpayer Ex. 4 at 132.

Neither granted nor denied.

48. That Mr. Traub's Comparable Sales Approach relies upon the faulty premise that the buyers and sellers of hydro-electric facilities would analyze and value a facility based solely upon a single-years' gross income.

Neither granted nor denied.

49. That Mr. Sansoucy's Comparable Sales Approach reliably generated an adjustment metric based upon the price per kWh produced, which is the metric with the least amount of deviation between Comparable Sales. See Muni. Ex. B at 63-64.

Neither granted nor denied.

50. That Mr. Sansoucy's Comparable Sales Approach accurately and reliably accounts for capital expenditures and local issues facing the subject asserts. See Muni. Ex. B at 64-65.

Neither granted nor denied.

51. That the Values of the Subject Assets under the Comparable Sales Approach for 2010 and 2011 are as follows:

g. Riverside: 2010: $21,573,200
h. Riverside 2011: $21,573,200
i. Sawmill: 2010: $8,143,800
j. Sawmill: 2011: $8,143,800
k. Cross: 2010: $8,232,000
l. Cross: 2011: $8,232,000

See Muni B. at pages 1-6 (Summary of Values under all Approaches for 2010 and 2011).

Denied.

52. That the replacement or reproduction cost approach to value is based upon the premise that a purchaser would pay no more for the property than the cost of producing an equally desired substitute and involves estimating the reproduction or replacement cost new of the property and deducting from it all forms of physical, function, and economic depreciation. See e.g., Muni. Ex. B at 47.

Granted.

53. That all the taxable properties of GLHA at issue would be reproduced or replaced if they did not already exist. See Transcript V. at 151.

Neither granted nor denied.

54. That the City's replacement costs are reliable and supported by the evidence. See Muni Ex. B, Tab F (breaking down each subject facility by Tax Year into one hundred different component parts and providing the quantity and cost for those component parts).

Neither granted nor denied.

55. That the City's computation of the economic life of the Sawmill and Cross facilities at 54 years in 2010 and 53 years in 2011 and the Riverside facility at 63 years in 2010 and 62 years in 2011 are premised upon Mr. Sansoucy's extensive knowledge of the GLHA facilities and, therefore, is supported by the evidence. See Muni. B at 47-48; see also Transcript V at 20-21 (stating that Mr. Sansoucy has been valuing the subject facilities since 1992).

Neither granted nor denied.

56. That the City's computation of the effective age after curable depreciation cured of the Sawmill and Cross facilities at 25 years and the Riverside facility at 30 years is supported by the evidence. See Muni. B at 50-51.

Neither granted nor denied.

57. That the City's percent of physical depreciation rates for Sawmill and Cross at 46% percent for 2010 and 47% for 2011 and for Riverside at 48% for both 2010 and 2011 are reasonable and supported by the evidence. See Muni. B at 51.

Neither granted nor denied.

58. That Mr. Traub's replacement or reproduction cost approach does not utilize a proper reasonable life for the subject properties, which in turn results in an unreasonable rate of depreciation. Compare Taxpayer Ex. 3 at 126 (2010 Appraisal stating that estimated life of powerhouse was 60 years, electrical utility production equipment was 50 years, and dams was 75 years) and Taxpayer Ex. 4 at 142 (2011 Appraisal) (same) with Municipalities Ex. EE at 72 (stating that Brookfield Renewable Energy Partners' estimated service lives of dams were up to 115 years; penstocks, up to 60 years; powerhouses, up to 115 years; and hydroelectric generating units, up to 115 years).

Neither granted nor denied.

59. That Mr. Traub has erroneously applied functional and economic obsolescence to the GLHA facilities, which rely, in part, on inaccurate information regarding the cost to repair the Headwater Dams. See Transcript III at 183-184 (stating that obsolescence would be different if Mr. Traub utilized a $25 million figure for Headwater Dam replacement).

Neither granted nor denied.

60. That Mr. Traub's erroneous and unsubstantiated application of functional and economic obsolescence is demonstrated by his increase of functional and economic obsolescence at the Cross facility from 22% in 2010 to 40% in 2011. See Taxpayer Ex. 3 at 131; Taxpayer Ex. 4 at 143; Transcript III at 185-186.

Neither granted nor denied.

61. That the Values of the Subject Assets under the Reproduction Cost New Less Depreciation Approach for 2010 and 2011 are as follows:

a. Riverside: 2010: $21,300,000
b. Riverside 2011: $18,800,000
c. Sawmill: 2010: $7,400,000
d. Sawmill: 2011:$7,000,000
e. Cross: 2010: $8,000,000
f. Cross: 2011: $7,100,000

See Muni B. at pages 1-6 (Summary of Values under all Approaches for 2010 and 2011).

Denied.

62. That GLHA, as the petitioner, has the burden to prove that its taxable properties in the City "were disproportionately greater than those on other property owners in the [City]." Dartmouth Corp. of Alpha Delta v. Town of Hanover, 115 N.H. 26, 29 (1975).

Granted.

63. That to satisfy this burden the Petitioner must show that their properties, in the aggregate, were overvalued and that the total assessment was excessive. New England Power Co. v. Littleton, 114 N.H. 594, 599 (1974).

Granted.

64. That, unless it appears more probable than not, on the evidence, that the plaintiff's taxable property was overvalued, the assessments must be sustained. Id.

Granted.

65. That RSA 75:1 provides that all taxable property shall be appraised by the Selectmen at its market value which means the property's full and true value as the same would be appraised in payment of a just debt due from a solvent debtor.

Granted.

66. That market value under RSA 75:1 has been defined by the New Hampshire Supreme Court as the price which the property will bring in a fair market after reasonable efforts have been made to find a purchaser who will give the highest price for it. Public Service Co. v. Seabrook, 126 N.H. 740 (1985); Public Service Co. v. New Hampton, 101 N.H. 142, 146 (1957).

Granted.

67. That "[t]he value of property is what it is worth in money, what it will bring in money to the seller, what it will cost the buyer to obtain it." Grafton County Electric Light Co. v. State, 78 N.H. 330, 334 (1970).

Granted.

68. That the market value of GLHA's properties is the price which, in all probability, would have been arrived at on April 1 of each of the years under appeal, upon fair negotiations between an owner willing to sell and a purchaser desiring to buy such properties, taking into account all circumstances and facts which might be brought forward and reasonably be given consideration in such bargaining. See Society Hill at Merrimack Condo. Ass'n. v. Town of Merrimack, 139 N.H. 253, 255 (1994).

Granted.

69. That the City's expert, Mr. Sansoucy, properly applied three of the approaches to market value recognized by the the New Hampshire Supreme Court namely: (1) capitalized earnings; (2) comparable sales; and (3) reproduction or replacement cost less depreciation. See New England Power v. Littleton, 114 N.H. at 598-99; see also Paras v. Portsmouth 115 N.H. 63, 67-68 (1978) (recognizing that cost approach, income approach, and comparative sales approach are all valid means of determining value for *ad valorem* tax purposes).

Denied.

70. That the Fair Market Value of the Subject Assets after Reconciliation for 2010 and 2011 are as follows:

a. Riverside: 2010: $21,300,000
b. Riverside 2011: $19,500,000
c. Sawmill: 2010: $7,500,000
d. Sawmill: 2011: $7,300,000
e. Cross: 2010: $8,100,000
f. Cross: 2011: $7,400,000

Denied.

71. That the fair market value of all of GLHA's taxable property for the years under appeal was:

a. 2010: $36,900,000
b. 2011: $34,200,000

Denied.

72. That because the fair market value of GLHA's property in the City as equalized in Tax Year 2010 exceeds its assessed value, GLHA has failed to show cause for relief.

Denied.

73. That because the fair market value of GLHA's property in the City as equalized in Tax Year 2011 exceeds its assessed value, GLHA has failed to show cause for relief.

Denied.

74. That because Mr. Sansoucy has utilized the same methodology with regard to the PSNH Smith hydro-electric facility located within the City, GLHA cannot prove disproportionality. See New England Power Co., 114 N.H. at 599; see also Transcript VI at 246 (stating that Smith valuation was "nearly identical" to the GLHA valuations "so that Public Service would be treated exactly the same as Brookfield in the City of Berlin").

Denied.

75. That GLHA failed to meet its burden of proof that its taxable property in the City was in the aggregate overvalued, that the assessments on its property were excessive or that it paid a disproportionate tax.

Denied.

TOWN'S PROPOSED FINDINGS

1. Great Lakes Hydro America, LLC ("GLHA"), as the plaintiff, has the burden of proof that its taxable property in Gorham was in the aggregate, overvalued, that the total assessment was excessive and that it was paying more than its proportional share of the taxes in Gorham, and thus entitled to an abatement. New England Power Co. v Littleton, 114 N.H. 594-599 (1974).

Granted.

2. In order for GLHA to meet its burden, it must establish that its property is assessed at a higher percentage of fair market value than the percentage at which property is generally assessed in the Town. Appeal of Sunapee, 126 N.H. 214, 217 (1985).

Granted.

3. It is not enough to satisfy its burden for GLHA to prove that the assessments of the Town are erroneous in law and fact, or that it could have used a more reliable methodology. Porter v. Sanbornton, 150 N.H. 363, 368 (2003). Rather, it must establish that it has paid a greater share of the common burden than it should have. Id.

Granted.

4. Sansoucy valued all other hydros in Berlin and Gorham using the same methodologies he used to value the GLHA hydros for the purpose of establishing their assessments. (Transcript , Dsy2, p. 250, Lines19-22)

Granted.

5. GLHA presented no evidence that its property is assessed at a higher percentage of fair market value at which property is generally assessed in Gorham and has filed to meet its burden of proof.

Neither granted nor denied.

6. GLHA presented no evidence that it has paid a greater share of the common burden than it should have and has failed to meet its burden of proof.

Neither granted nor denied.

7. The Median Equalization Ratio in the Town established by the Department of Revenue Administration ("DRA") was 120.1 in 2010 and 114.2 in 2011.

Granted.

8. RSA 75:1 provides that all taxable property shall be appraised by the selectmen at its market value, which means the property's full and true value as the same would be appraised in payment of a just debt due from a solvent debtor.

Granted.

9. Market value under RSA 75:1 has been defined by the New Hampshire Supreme Court as the price which property will bring in a fair market after reasonable efforts have been made to find a purchaser who will give the highest price for it. Public Service Co. v. Seabrook, 126 N.H. 740 (1985); Public Service Co. v. New Hampton, 101 N.H. 142, 146 (1957). "The value of property is what it is worth in money, what it will bring in money to the seller, what it will cost the buyer to obtain it." Grafton County Electric Light Co. v. State, 78 N.H. 330, 334 (1970).

Granted.

10. The definition of market value may not exclude GLHA itself as a potential purchaser. Public Service Co. v. New Hampton, 101 N.H. 142, 146, 147 (1957).

Granted.

11. The approaches to market value for utilities established by the New Hampshire Supreme Court include: 1) net book cost; 2) reproduction or replacement cost less depreciation; 3) comparable sales; 4) capitalized earnings; and 5) cost of comparable or alternative plan. New England Power v. Littleton, 114 N.H. 594, 598, 599 (1974). The parties have not presented evidence or relied on net book cost or cost of comparable or alternative plan and have relied exclusively on capitalized earnings, comparable sales and reproduction or replacement cost less depreciation.

Neither granted nor denied.

12. The PPA Income Capitalization Approach utilized by Mr. Traub in his 2011 report (Taxpayer's Exhibit 2) assumes that Gorham Paper and Tissue (the "Mill") will purchase the entire energy output of each of the five hydros. (See eg. Taxpayer's Exhibit 2 at page 112.)

Denied.

13. Neither Gorham Paper and Tissue or its predecessor under the PPA have ever purchased the entire energy output of each of the five hydro-electric facilities. (Municipal Exhibit A, Appendix Q)

Neither granted nor denied.

14. Gorham Paper and Tissue, under the PPA, is only obligated to purchase the energy that it needs. (Taxpayer's Exhibit 5, Tab 35, page 7). The Mill has never required all of the energy generated by the five hydros.

Neither granted nor denied.

15. The Traub PPA Income Capitalization Appraoch for 2011 is not entitled to any weight.

Granted.

16. GLHA's reported capacity is under-estimated because it fails to reflect a bi-lateral agreement under which an unknown entity is credited with a portion of GLHA's capacity (8.8 MW). (Municipal Exhibit LL)

Neither granted nor denied.

17. The Traub estimate of prices for energy and capacity in his DCF is nothing more than a projection of the price of energy during a dip in the market that has been escalated by the rate of increase in Wellhead Natural Gas Prices in Louisiana. (Transcript, Day 5 at 219.)

Neither granted nor denied.

18. The rate of change of Wellhead Natural Gas prices in Louisiana does not accurately reflect the rate of change of the price of power in the ISO-NE or the price of city-gate natural gas in New Hampshire Municipal Ex Q; Transcript, Day5 at 222,223.

Neither granted nor denied.

19. A price projection does not constitute a forecast (The Appraisal of Real Estate, 13th Ed. At 540-541).

Neither granted nor denied.

20. Mr. Sansoucy's reliance on Ventex to forecast energy and capacity prices was reasonable. Ventyx is one of the best independent forecasting systems on the market. Transcript, Day 5 at 122. It utilizes multiple forecasts to consider the price of fuel necessary to generate power, the closure or activation of power generators, legislation affecting power generation, economic conditions, etc. Transcript, Day 5 at 121-22.

Neither granted nor denied.

21. Mr. Traub concluded that the PPA Income Approach scenario in 2011 lowered the risk to a potential buyer that energy prices would fall but still used the same discount rate for both his merchant plan and PPA scenario.Transcript, Day 2 at 56,57; Taxpayer Ex 2 at 109-114.

Granted.

22. Because he concluded that the PPA lowered the risk to a potential buyer, Mr. Traub should have used a lower discount rate for that approach.

Neither granted nor denied.

23. The Traub comparable sales approach should not be given any weight and is not credible. He performed no analysis of comparable sales, but rather adopted wholesale, the comparable sales of another appraiser.

Denied.

24. The Sansoucy Comparable Sales Approach was based upon his years of following the market for hydro-electric facilities and his participation in the market in New Hampshire as both a buyer and seller. Municipal Ex A at 63,64; Transcript, Day 5 at 10-11,13-19.

Neither granted nor denied.

25. Sansoucy's opinions regarding comparable sales are based on facts and experience and entitled to considerable weight, while the opinions of Traub are either a guess or the product of someone else's work, and not entitled to any weight.

Denied.

26. The Sansoucy Cost Approach is reliable and supported by the evidence.

Denied.

27. The Fair Market Value of Cascade Hydro in 2010 was $ 21,500,000.

Denied.

28. The Fair Market Value of Cascade Hydro in 2011 was $20,000,000.

Denied.

29. The Fair Market Value of the Gorham Hydro in 2010 was $10,800,000.

Denied.

30. The Fair Market Value of the Gorham Hydro in 2011 was $10,700,000.

Denied.

31. Because the Fair Market Value of GLHA's property in the Town as equalized in tax year 2010 exceeds its assessed value, GLHA has failed to show cause for relief.

Granted.

32. Because the Fair Market Value of GLHA's property in Gorham as equalized in tax year 2011 exceeds its assessed value, GLHA has failed to show cause for relief.

Granted.

33. GLHA failed to meet its burden of proof that its taxable property in the Town of Gorham was, in the aggregate, overvalued, that the assessments on its property were excessive, or that it paid a disproportionate tax.

Granted.

CERTIFICATION

I hereby certify copies of the above Decision have this date been mailed, postage prepaid, to: William L. Plouffe, Esq., DrummondWoodsum, 84 Marginal Way – Suite 600, Portland, ME 04101, counsel for the Taxpayer; Peter J. Crossett, Esq., Hiscock & Barclay, One Park Place, 300 South State Street, Syracuse, NY 13202, co-counsel for the Taxpayer; Christopher L. Boldt, Esq., Donahue, Tucker & Ciandella, PLLC, PO Box 214, Meredith, NH 03253, counsel for the City of Berlin; Robert Upton, II, Esq., Upton & Hatfield, LLP, 23 Seavey Street, North Conway, NH 03860, counsel for the Town of Gorham; Chairman, Board of Assessors, City of Berlin, 168 Main Street, Berlin, NH 03570; Chairman, Board of Selectmen, Town of Gorham, 20 Park Street, Gorham, NH 03581; and George E. Sansoucy, PE, LLC, 89 Reed Road, Lancaster, NH 03584, Contracted Assessing Firm.

Dated: 10/16/14

Anne M. Stelmach, Clerk