

23. Describe the "positive effects" claimed in line 1 on page 12 of Dr. Priestley's Testimony.

RESPONSE: Line 1 on page 12 make reference to a set of studies of the impacts of 230 kV and 500 kV transmission lines on agricultural properties in Ontario.² The statistical analyses conducted as a part of this study found that in the area along one of the 230 kV transmission lines analyzed, for the properties crossed by the transmission line, there was a positive impact on sales prices that was in the range of 6%. The statistical analyses also found that in the area along another transmission line, in this case, a 500 kV line, there was a positive impact on sales prices in the range of 16%. This finding was determined to be statistically significant. The study authors hypothesized that the positive effects were found because in the second case, all of the transmission line rights-of-way were owned by Ontario Hydro, and in the first case, some but not all of the rights-of-way were in utility ownership. The authors' assessment was that:

The positive impact may be due to the fact that Ontario Hydro leases the land back to the property owners at reasonable rates, and that these rights are available to subsequent owners. The market value of the sold property therefore reflects the fact that additional income-producing land is available to the property owner, over and above the acreage bought.³

24. Describe the "negative effects" claimed in line 2 on page 12 of Dr. Priestley's Testimony.

RESPONSE: The statistical analyses conducted as a part of the studies of the impacts of 230 kV and 500 kV transmission lines on agricultural properties in Ontario⁴ found that in the areas along two of the transmission lines studied, there was a negative effect on the sales prices of properties crossed by the lines. In one case, the multiple regression modeling found the impact effect to be in the range of -6%, and in the other, in the range of -17%. In both cases, the authors observed that the transmission lines were located in areas where real estate development was likely to occur, leading the authors to conclude:

This tends to support the hypothesis that land that could be developed for residential (as opposed to agricultural) purposes is more vulnerable to a negative impact of a transmission line than is land which is strictly used for agricultural purposes.⁵

Responses by: Thomas Priestley, PhD

² Woods Gordon (Management Consultants). 1981. *Study on the Economic Impact of Electric Transmission Corridors on Rural Property Values: Final Report.*

³ Woods Gordon (Management Consultants). 1981. *Study on the Economic Impact of Electric Transmission Corridors on Rural Property Values: Final Report.* p 2.

⁴ Woods Gordon (Management Consultants). 1981. *Study on the Economic Impact of Electric Transmission Corridors on Rural Property Values: Final Report.*

⁵ Woods Gordon (Management Consultants). 1981. *Study on the Economic Impact of Electric Transmission Corridors on Rural Property Values: Final Report.* p. 83.

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