

STATE OF ILLINOIS
ILLINOIS COMMERCE COMMISSION

COMMONWEALTH EDISON COMPANY :
:
Application of COMMONWEALTH EDISON COMPANY :
for a Certificate of Public Convenience and :
Necessity, under Section 8-406.1 of the :
Illinois Public Utilities Act and an Order pursuant to : Docket No. 13-0657
Section 8-503 of the Illinois Public Utilities Act :
to construct, operate and maintain :
a new 345 kilovolt transmission line :
in Ogle, DeKalb, Kane and DuPage Counties, Illinois :

EXPERT APPRAISAL REPORT AND DECLARATION OF RICHARD J. RODDEWIG

1. My name is Richard J. Roddewig. I am a professional real estate appraiser, real estate analyst, real estate counselor, and land use planning and zoning consultant. I am currently President of Clarion Associates, Inc., Chicago, Illinois. I am a Certified General Real Estate Appraiser in the State of Illinois (License Number 553.000129) and also hold a license as a Certified General Real Estate Appraiser in various other states including Wisconsin, Michigan, Indiana, Missouri, Maryland, New York, Tennessee, Louisiana, Florida, Mississippi, Alabama, Oklahoma, and Colorado. I have over 35 years experience as a professional real estate appraiser. I also hold the following three professional designations: the MAI designation from the Appraisal Institute, the CRE designation from The Counselors of Real Estate, and the FRICS designation from the Royal Institution of Chartered Surveyors. The MAI designation is given by the Appraisal Institute (the largest professional organization of real estate appraisers) to those who complete a prescribed series of educational courses, pass a series of educational examinations, meet the appraisal experience requirements, and submit qualifying demonstration

appraisal reports. The CRE designation is given to those invited into membership based upon their professional accomplishments as real estate consultants. The FRICS designation is an international appraisal designation given by the Royal Institution of Chartered Surveyors (headquartered in London) the largest international organization of appraisers and chartered surveyors. I am also a licensed real estate broker in Illinois and a licensed attorney in Illinois, although I do not now actively practice law.

2. One of my specialized areas of real estate appraisal practice involves properties actually or potentially impacted by contamination and other environmental conditions. Over the past 25 years, I have been involved in assignments involving the analysis of the impact of contamination and other environmental conditions on real estate markets and market prices and values in the following states: Alaska, Hawaii, Washington, California, Wyoming, New Mexico, Colorado, Texas, Missouri, Kansas, Minnesota, Wisconsin, Ohio, Illinois, Indiana, Michigan, Pennsylvania, New York, Connecticut, New Jersey, Maryland, Washington, D.C., South Carolina, Georgia, Alabama, Mississippi, and Florida. For the Appraisal Institute, I have developed three seminars on how to value properties affected by contamination and other environmental conditions, and I have taught those courses for the Appraisal Institute all across the United States. In 2001, the Appraisal Institute asked me to write a book on the appraisal of contaminated property, and the result is *Valuing Contaminated Properties: An Appraisal Institute Anthology*, edited by me and published by the Appraisal Institute in 2002. I have written a number of articles on the appraisal of properties impacted by contamination and other environmental conditions that have been published in *The Appraisal Journal* and other professional publications. In 2003, I was asked by the State of South Carolina Association of Tax Assessors to prepare and teach a special course to local government tax assessors on how to value contaminated properties or properties affected by environmental risks. In 2013, I prepared and taught a special one day seminar on the same subject for staff and contract appraisers of the Minnesota Department of Transportation.

3. A summary of my qualifications related to analysis and appraisal of the impact of environmental conditions on prices and values (Exhibit A.), a list of depositions and trial

testimony given during the past four years (Exhibit B.), and a complete curriculum vitae including my publications (Exhibit C.) are attached in an Addendum to this Report.

4. I have been retained by Rooney Rippie & Ratnaswamy LLP, as Counsel for Commonwealth Edison Company (hereinafter, “ComEd”) in the above captioned matter to analyze whether the proposed transmission line corridor will have an adverse effect on the market value of residential and farmland properties along the proposed right-of-way.

OVERVIEW OF MY SCOPE OF WORK IN THIS ASSIGNMENT

5. As part of our scope of work in this assignment, my staff and I have undertaken the following tasks:

A. Met with attorneys for ComEd and reviewed maps of the proposed primary and alternate right-of-way corridors.

B. Inspected the proposed primary and alternate corridors by automobile.

C. Reviewed the lay opinion testimony submitted by certain intervenors as well as certain public comments related to concerns about possible adverse impacts of the proposed right-of-way on property values.

D. Reviewed and summarized in this report the standards of the appraisal profession for determining whether prices and values of real property have been directly or indirectly affected by potentially adverse environmental conditions.

E. Summarized the generally accepted methods of the appraisal profession for determining the impacts, if any, from potentially adverse environmental conditions and environmental risks created by power lines and other similar sources.

F. Reviewed and summarized the conclusions in the published national real estate literature concerning the impacts of power lines on real estate prices and values.

G. Collected and analyzed sale prices in the Sugar Ridge and River Ridge single-family home subdivisions in South Elgin, a neighborhood adjacent to an existing power line corridor that is also a portion of the corridor for the proposed additional power line.

H. Collected and analyzed sale prices at Coventry in Lake in the Hills, Concord Pointe in Carol Stream, and Hampton Park in Naperville, three townhouse development projects adjacent to other power line corridors, in order to determine the potential impact of the proposed power line corridor on the prices and values of the existing townhouses at the Bowes Creek Country Club development located along the proposed corridor.

I. Reviewed my prior research into the relationship between proximity to power lines and property values in the Chicago metro area.

J. Investigated the Bluegrass Region of Kentucky to determine if there are horse breeding, boarding and training facilities in close proximity to transmission line corridors.

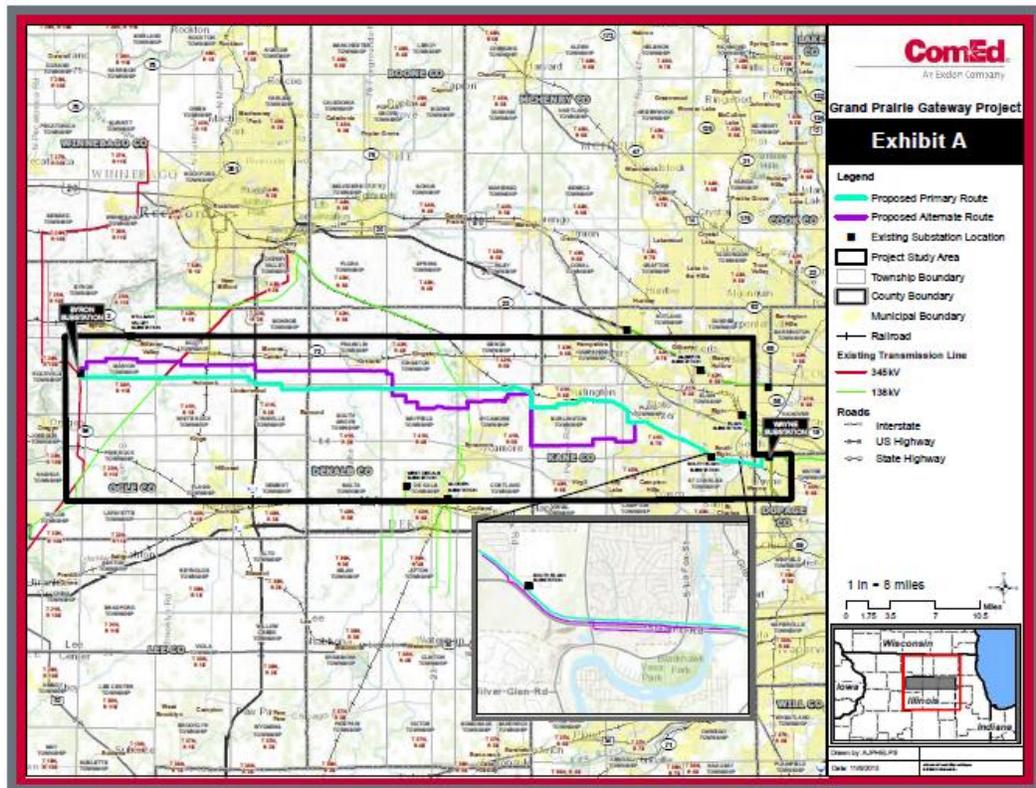
K. Summarized the typical cycle of media attention and public perception about issues raised by environmental conditions and risks, as well as describe that cycle as it relates to the way in which real estate markets consider the uncertainty about possible health effects of power lines.

L. Analyzed from a real estate market and real estate appraisal perspective whether prices and values of the residential neighborhoods and undeveloped land along the proposed corridor will be decreased in any significant way by installation of the proposed power lines.

THE PROPOSED POWER LINE CORRIDOR AND THE TYPES OF ADJACENT PROPERTIES AND NEIGHBORHOODS

6. The proposed primary and alternate power line corridor is shown on the map below:

ICC Docket No. 13-XXXX
ComEd Ex. A



More detailed maps of the proposed right-of-way are included in the Addendum (Exhibit D) to this report.

The filing that accompanies the map above states that the eastern starting point for the 345kV power line is the ComEd Wayne substation located in the northwest part of Wayne Township in DuPage County, Illinois and the western end point is the ComEd Byron substation located in the

eastern part of Rockvale Township in Ogle County, Illinois. The primary right-of-way is approximately 60 miles in length and the alternate right-of-way is approximately 68 miles in length. No new substations are planned as part of the project. The minimum width of the right-of-way is 110 feet (sections with double circuit steel monopoles) to 120 feet (sections with triple circuit steel monopoles). Initially, one 345kV circuit will be placed on the poles. However, the poles are designed to carry a second 345kV circuit on the other side of the poles as well as to carry one 138kV line. Pole heights will vary from approximately 140 to 170 feet. The Addendum (Exhibit E) to this report contains the ComEd description of the right-of-way, circuits, and poles.

7. A significant portion of the proposed primary right-of-way between a point about one mile east of the Fox River in Kane County to a point approximately 0.25 miles south of Base Line Road in DeKalb County (Sycamore Township) on the west follows an existing railroad right-of-way. However, less of the proposed alternate route in Plato and Burlington Townships in Kane County follows the existing railroad right-of-way.

8. More than half of the length of the proposed primary and alternate routes passes through or adjacent to farmland and other undeveloped areas. This is especially true in the western portion of the Kane County right-of-way (western half of Plato Township and virtually all of Burlington Township), and virtually all of the DeKalb and Ogle sections of the proposed right-of-way.¹

9. Among the residential neighborhoods and subdivisions adjacent to the proposed primary and/or alternate corridors in Kane County are River Ridge and Sugar Ridge in South Elgin, Woodbridge South, Savanna Lakes, and Bowes Creek in Elgin, and Saddlebrook II. The alternate route passes adjacent to the far southern edge of Kirkland in DeKalb County and the primary route passes through a portion of the small community of Burlington in Kane County.

10. Sugar Ridge, River Ridge, Savanna Lakes, and Saddlebrook II are detached single family communities. Both Bowes Creek and Woodbridge South consist of both single family

¹ The exceptions are the communities of Burlington and Kirkland.

homes and townhomes, although the power lines will generally be located closer to the townhouses than to the single family homes in both of those communities.

SUMMARY OF LAY OPINION TESTIMONY SUBMITTED BY CERTAIN INTERVENORS CONCERNING IMPACTS OF POWER LINES ON HOME PRICES AND FARMLAND VALUES

11. No analysis of the impact of power lines on property values by either a Chicago area licensed real estate appraiser or a licensed real estate broker has been submitted by intervenors in this matter. Instead, lay testimony by homeowners, agricultural land owners, and a school district official present personal opinions, typically unsupported, concerning the potential impact of the proposed corridor on property values. The specific testimony related to opinions of potential impact is as follows:

A. Testimony submitted by one of the intervenors claims it is “self evident” that there will be a 10% to 30% impact on single-family home values but presents no studies or even published literature references to support that claim. (Direct Testimony of John Tomasiewicz,² Tomasiewicz Ex. 1.0, 4: 57-64)

B. A second intervenor claims that the construction of the power line will “most certainly destroy our property values” but again presents no studies or references to the published literature to support that statement. (Direct Testimony of Robert Mason,³ Mason Ex. 1.0, 3: 36-37)

² Mr. Tomasiewicz reports his address as 1035 Riviera Drive, Elgin, Illinois.

³ Mr. Mason reports his address as 38W520 Savanna Lakes Drive, Elgin Township, Illinois.

C. An official from one of the school districts states that the proposed corridor “will have a negative effect on the value of numerous properties within the District.” (Direct Testimony of Jeffrey King, Chief Operations Officer, School District U-46, Ex. 1.0, 4: 83-84) No study or other price impact support is provided by that official, however.

D. Another intervenor states that “studies I have read show a 15% to 50% drop in values of nearby homes due to overhead high voltage transmission lines.” (Direct Testimony of Jeffrey C. Payne, p. 4) As support, that intervenor references a British study allegedly showing a 38% drop in values of homes within 328 feet and a Canadian study showing a 16% to 29% impact on farmland that has an easement for a powerline corridor. The report does not accompany the intervenor’s testimony. In response to a data request, that intervenor provided website links to a “Fact Sheet # 9” dated January 30, 2010,⁴ and a 2008 ASKON Consulting Group (Germany) report published in Ireland.⁵ Both of those links reference the British and Canadian studies, but do not include copies of the studies referenced and do not even provide citations to the identity of those two studies.

⁴ Jeffrey C. Payne, Susan Payne and Charles Payne, *Response to Commonwealth Edison Company’s Restated First Set of Data Requests to Staff and Intervening Parties, February 28, 2014*, referencing the website <http://www.brucejme/Fact.9.pdf>.

⁵ Jeffrey C. Payne, Susan Payne and Charles Payne, *Response to Commonwealth Edison Company’s Restated First Set of Data Requests to Staff and Intervening Parties, February 28, 2014*, referencing the website <http://burythecable.ie/askon.pdf> and an ASKON Consulting Group “Media Information Pack” dated October 9, 2008.

E. Other intervenors simply state their opinion or concern that the proposed right-of-way will adversely affect the value of their property or property in their community but without providing any studies (or even references to studies elsewhere) to support their opinion or concern.⁶ Three of the intervenors expressed unsupported concerns about the effect of the proposed right-of-way on the business operations and market value of an equestrian facility that includes shipping and boarding of horses as well as equine therapy training.⁷

STANDARDS OF PROFESSIONAL APPRAISAL PRACTICE SPECIFY METHODS AND PROCEDURES FOR DETERMINING THE IMPACT OF ENVIRONMENTAL CONDITIONS ON PRICES AND VALUES AND REQUIRE ANALYSIS OF ACTUAL MARKET DATA ANALYSIS BEFORE FORMING SUCH AN OPINION

12. The Appraisal Standards Board in Washington, D.C. promulgated the *Uniform Standards of Professional Appraisal Practice* (hereinafter “USPAP”) that are required by Illinois law and regulation to be followed by all licensed real estate appraisers in Illinois as well as in every other state.

13. The Appraisal Standards Board has issued specific guidance for determining the impact of “adverse environmental conditions” on prices and values. USPAP Advisory Opinion 9 (AO-9) deals with the appraisal of properties affected by such adverse environmental conditions. Among the elements of AO-9 important to a consideration of the potential impact of the proposed power line corridor on property prices and values in this matter are the following:

A. AO-9 defines “adverse environmental conditions” in terms of a level of a hazardous substance in excess of state or federal regulatory standards.⁸

⁶ See, for example, Direct Testimony of Ronald Hammes, Hammes Ex. 1.0, 2: 17-18; see also, Direct Testimony of David J. Kaptain, Kaptain Ex. 1.0, 9: 196-197.

⁷ Direct Testimony of Jerry Drexler of 12N393 Waughon Road, Hampshire, Illinois, Drexler Ex. 1.0; Direct Testimony of Kristine Pienkowski of 12N393 Waughon Road, Hampshire, Illinois, Pienkowski Ex. 2.0; Direct Testimony of Debra Hirschberg, Pienkowski Ex. 3.0.

⁸ “**Environmental Contamination:** Adverse environmental conditions resulting from the release of hazardous substances into the air, surface water, groundwater or soil. Generally, the concentrations of these substances would

B. AO-9 states that every analysis of the potential impact of an environmental condition on property value “must be based on market data, rather than unsupported opinion or judgment.” (USPAP 2014-2015 Advisory Opinions, p. A-20, Lines 177-178)

C. AO-9 also states that estimating the effect of such environmental conditions “involves the application of one or more specialized valuation methods” that must be applied “consistent with the requirements related to the valuation approaches in USPAP.” (USPAP 2014-2015 Advisory Opinions, p. A-20, Lines 181-183)

14. USPAP requires licensed appraisers to complete the research and analyses “necessary to develop credible assignment results.”⁹ The Scope of Work Rule in USPAP then says that the acceptability of the research and analysis is measured based on what “an appraiser’s peers actions would be in performing the same or a similar assignment.”¹⁰

A. The phrase “an appraiser’s peers” is defined in USPAP as “other appraisers who have expertise and competency in a similar type of assignment.”¹¹

B. The answer to USPAP Frequently Asked Question 160 entitled “Judging the Actions of An Appraiser’s Peers” states that “journals and publications, professional meetings and conferences, education through courses and seminars, and appraisal discussion groups”¹² are the sources of knowledge about what an appraiser’s peers would do in a similar assignment.

15. The courses and peer reviewed publications of the appraisal profession define the generally accepted methodology for determining the impact of environmental conditions on real

exceed regulatory limits established by the appropriate federal, state, and/or local agencies.” USPAP 2014-15, Advisory Opinion 9 (AO-9), p. A-17, lines 77-79.

⁹ USPAP, 2014-2015 Edition, Scope of Work Rule, p. U-14, lines 429-430.

¹⁰ USPAP, 2014-2015, Scope of Work Rule, p. U-14, lines 433-434.

¹¹ USPAP, 2014-2015, Definitions, p. U-1, line 32.

¹² USPAP, 2014-2015, supra, FAQ 160, p. F-73.

estate markets, property prices, market rents, and market value. Sources of this methodology include the following:

- A. Advisory Opinion AO-9 referenced above.
- B. Courses and seminars of the Appraisal Institute including the most recent 2010 national seminar, *Analyzing the Effects of Contamination on Real Estate* and the two earlier seminars *Environmental Risk and the Real Estate Appraisal Process* and *Appraising Environmentally Contaminated Properties: Understanding and Evaluating Stigma*.
- C. Books and publications of the Appraisal Institute including articles in *The Appraisal Journal*, the book entitled *Real Estate Damages: An Analysis of Detrimental Conditions*,¹³ and the book entitled *Valuing Contaminated Properties: An Appraisal Institute Anthology*.¹⁴

16. Those courses and publications related to the valuation of properties impacted by adverse environmental conditions have long recognized the following:

- A. Proximity to a source of an adverse environmental condition does not automatically cause an adverse impact to prices and values of nearby properties.
- B. While opinions of homeowners and other non-real estate professionals may have some relevance to understanding a marketplace, such opinions are not a substitute for analysis of actual sales prices. As a publication of The Appraisal Institute puts it: “Those rendering opinions of market value or diminution in value should be properly

¹³ Randall Bell, MAI, et al., *Real Estate Damages: Applied Economics and Detrimental Conditions*, Second Edition, Appraisal Institute, 2008.

¹⁴ Richard J. Roddewig, MAI, CRE, Editor, *Valuing Contaminated Properties: An Appraisal Institute Anthology*, Appraisal Institute, 2002.

credentialed and license, acknowledging that competent experts can still disagree because of limited market data, differing scopes of work, or other factors.”¹⁵

C. Power lines do not always or automatically adversely impact prices and values of adjacent or nearby properties.

17. The appraisal profession has long recognized that proximity to sources of adverse environmental conditions in general, and power lines in particular, do not automatically result in an adverse impact on the value of adjacent or nearby properties.

A. *Real Estate Damages: An Analysis of Detrimental Conditions*, published by the Appraisal Institute states that long-standing understanding as follows:

“The fact that a property is impacted by a detrimental condition does not automatically mean that it has a material impact on the property’s value. Detrimental conditions may or may not cause a material impact on value. Frequently, detrimental conditions have no material impact on value whatsoever. In the analysis of detrimental conditions, it is important that the appraiser be knowledgeable about the available tools, properly select and apply those tools, avoid unproven or suspect methodologies, and ultimately have relevant market data to support opinions and conclusions.”¹⁶

B. As it specifically relates to power line impacts on prices and values, that *Real Estate Damages* books says the following: “As with many detrimental conditions, subjective fear of hazard does not necessarily equate to objective evidence of diminished property value.” That book also states that “the impact [of power lines] on real estate is

¹⁵ Bell, et al., *Real Estate Damages: Applied Economics and Detrimental Conditions*, at 238.

¹⁶ Bell, et al., *Real Estate Damages: Applied Economics and Detrimental Conditions*, at 238.

determined by the market and not by scientific analysis [related to possible health effects].”¹⁷

C. Professor Thomas Jackson, PhD, MAI, a member of the Appraisal Standards Board that promulgated Advisory Opinion 9 (AO-9), and the co-developer of the 2010 seminar of the Appraisal Institute entitled *Analyzing the Effects of Environmental Contamination on Real Property*, and his research colleague Jennifer Pitts in a 2007 article in *The Appraisal Journal* summed up past studies of the impacts of power lines on prices and values as follows:

“Both the market interviews and academic literature show that the impacts of power lines on residential properties are varied and difficult to measure. The impacts from the power lines, as well as other negative externalities, depend on many factors, including market location, condition, and personal preference.”¹⁸

THE PUBLISHED REAL ESTATE APPRAISAL AND REAL ESTATE ECONOMICS LITERATURE INDICATES THAT POWER LINES DO NOT NECESSARILY ADVERSELY IMPACT ADJACENT PROPERTY PRICES AND VALUES

18. The real estate appraisal and real estate economics literature has long been clear that power lines do not automatically adversely impact the value of adjacent properties and in some cases may actually enhance values.¹⁹ Some studies have found adverse impacts while others

¹⁷ Bell, et al., *Real Estate Damages: Applied Economics and Detrimental Conditions*, at 110.

¹⁸ Jennifer M. Pitts and Thomas O. Jackson, PhD, MAI, “Power Lines and Property Values Revisited,” *The Appraisal Journal*, Fall 2007, at 323.

¹⁹ See, for example, Louis E. Clark, Jr., MAI, and F. H. Treadway, Jr., MAI, “Impact of Electric Power Transmission Line Easements on Real Estate Values, Society of Real Estate Appraisers, 1972, at pages 11-12: “Many persons have indicated by their actions a preference for a specific property, even though encumbered by an easement, as compared to other properties which are not. The reason for their actions is not as important as the effect, individually and collectively, on values . . . few within the real estate profession have factual knowledge of the impact of these easements on the value of real estate. Some appraisers rely on, and frequently express, opinions with no factual foundation. Thus, transmission line easements, and their effects, if any, on adjacent or nearby properties are controversial subjects.”

have found no impacts. Pitts and Jackson in 2007 summarized the published appraisal and real estate economics literature as follows:

“While most research indicates that HVTL [high voltage transmission lines] have no significant impact or a slight negative impact on residential properties, some studies have shown that lots adjacent to or with views of an HVTL right-of-way actually sell for a premium over more distant lots.²⁰

19. Among the more recent studies in the real estate appraisal and real estate economics literature are the following:

A. A July 2003 study in the *Appraisal Journal* that compared prices paid for 296 abutting properties to 296 comparable but non-abutting properties in Portland, Oregon, Seattle, Washington, and Vancouver, British Columbia. The authors could find no significant difference in prices between the two sets of sales. They could also find no effect on price appreciation rates from power line proximity.²¹

B. A Fall 2007 *Appraisal Journal* article said the following:

“Many studies indicate that the HVTL (high voltage transmission line) have no significant effect on residential property values. More recently, however, an increasing number of studies do show a small diminution in value attributable to the close proximity of these lines.

When negative impacts are evident, studies report an average discount of between 1% and 10% of property value.”²²

C. An *Appraisal Journal* Summer 2009 article looked at the previously published literature and specifically at what the authors called the 16 studies that form the

²⁰ Pitts and Jackson, 2007, at 324.

²¹ Marvin L. Wolverson, PhD, MAI, and Steven C. Bottemiller, MAI, “Further Analysis of Transmission Line Impact on Residential Property Values,” *The Appraisal Journal*, July 2003, at 244.

²² Jennifer M. Pitts and Thomas O. Jackson, “Power Lines and Property Values Revisited,” *The Appraisal Journal*, Fall 2007, at 323.

“core of the professional literature.” The authors summarized the key conclusions from those 16 articles as follows:

- Over time, there is a consistent pattern with about half of the studies finding negative property value effects and half finding none.
- When effects have been found, they tend to be small; almost always less than 10% and usually in the range of 3% to 6%.
- Where effects are found, they decay rapidly as distance to the lines increases and usually disappear at about 200 feet to 300 feet (61 meters to 912 meters).
- Two studies investigating the behavior of the effect over time find that, where there are effects, they tended to dissipate over time.
- There does not appear to have been any change in the reaction of markets to high-voltage transmission line proximity after the results of two widely publicized Swedish health-effects studies were preliminarily released in 1992.”²³

D. A Winter 2012 article in *The Appraisal Journal* article summarized the published literature as typically indicating either no effect on prices, or a relatively small effect when there are impacts. It then commented as follows: “(T)heir [high voltage transmission lines] presence is apparently not given sufficient weight by buyers and sellers of real estate to have had any consistent material effect on market value.”²⁴ That article ended with the following statement about the published literature: “the findings in the published literature (are) that property value effects cannot be presumed and are generally infrequent.”²⁵

20. The Addendum (Exhibit F) to this report contains a list of published articles related to power lines and property values that we have been able to collect and review for purposes of this report and analysis.

²³ James A. Chalmers, PhD, and Frank A. Voorvaart, PhD, “High Voltage Transmission Lines: Proximity, Visibility, and Encumbrance Effects,” *The Appraisal Journal*, Summer 2009, 227, at 229.

²⁴ James A. Chalmers, PhD, “High Voltage Transmission Lines and Rural, Western Real Estate Values,” *The Appraisal Journal*, Winter 2012, 30, at 31.

²⁵ Chalmers, PhD, *supra*, at 44.

ANALYSIS OF SALES DATA AT SUGAR RIDGE AND RIVER RIDGE IN SOUTH ELGIN

21. A number of the intervenors, as well as many of those submitting public comments to the Illinois Commerce Commission, live in the Sugar Ridge and River Ridge subdivisions in South Elgin. These two adjacent single-family home neighborhoods were developed in the early 1990s. There is a transmission line right-of-way along the south border of those two neighborhoods. That corridor was authorized in a 1994 Illinois Commerce Commission proceeding²⁶ and the 138kV line on 95 to 110 foot monopoles with eight cross arms was energized on August 1, 1996. The transmission line corridor is also part of a railroad right-of-way. As part of the prior authorization of the 138kV line, a previously existing distribution line on wooden poles was relocated within the existing corridor.

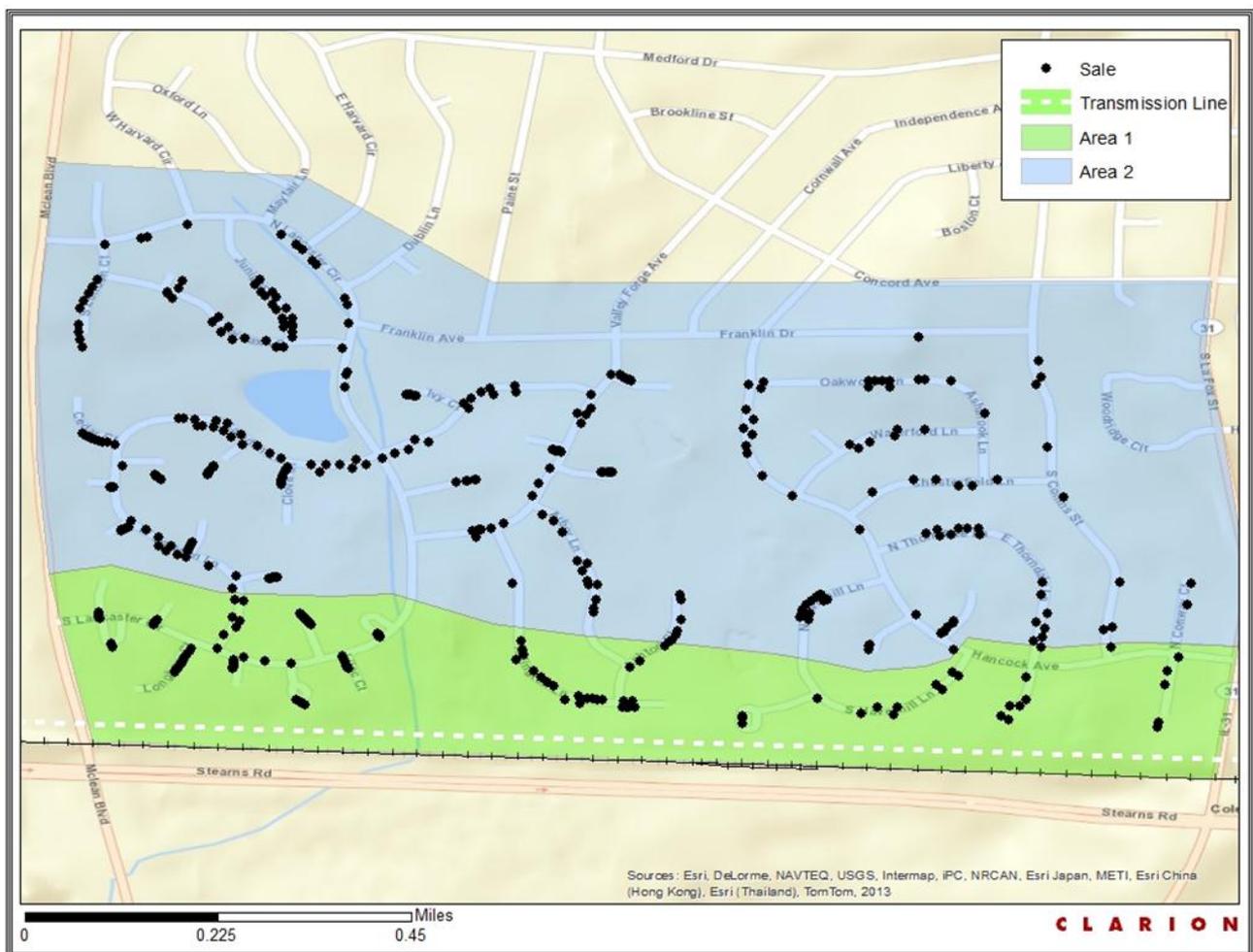
22. Sugar Ridge and River Ridge home prices were the subject of a 1995 expert report submitted on behalf of intervenors by Mr. David W. Phillips, an appraiser. “Due to the lack of resale statistics in the Sugar Ridge Mr. Phillips studied statistics of eight other subdivisions near power lines. Based on this analysis he concluded that the homes adjacent to the Edison right-of-way would suffer a 5% loss in value if the proposed line is built.” See Illinois Commerce Commission Order, dated August 9, 1995, 1995 Ill. PUC LEXIS 501, *15-*16.

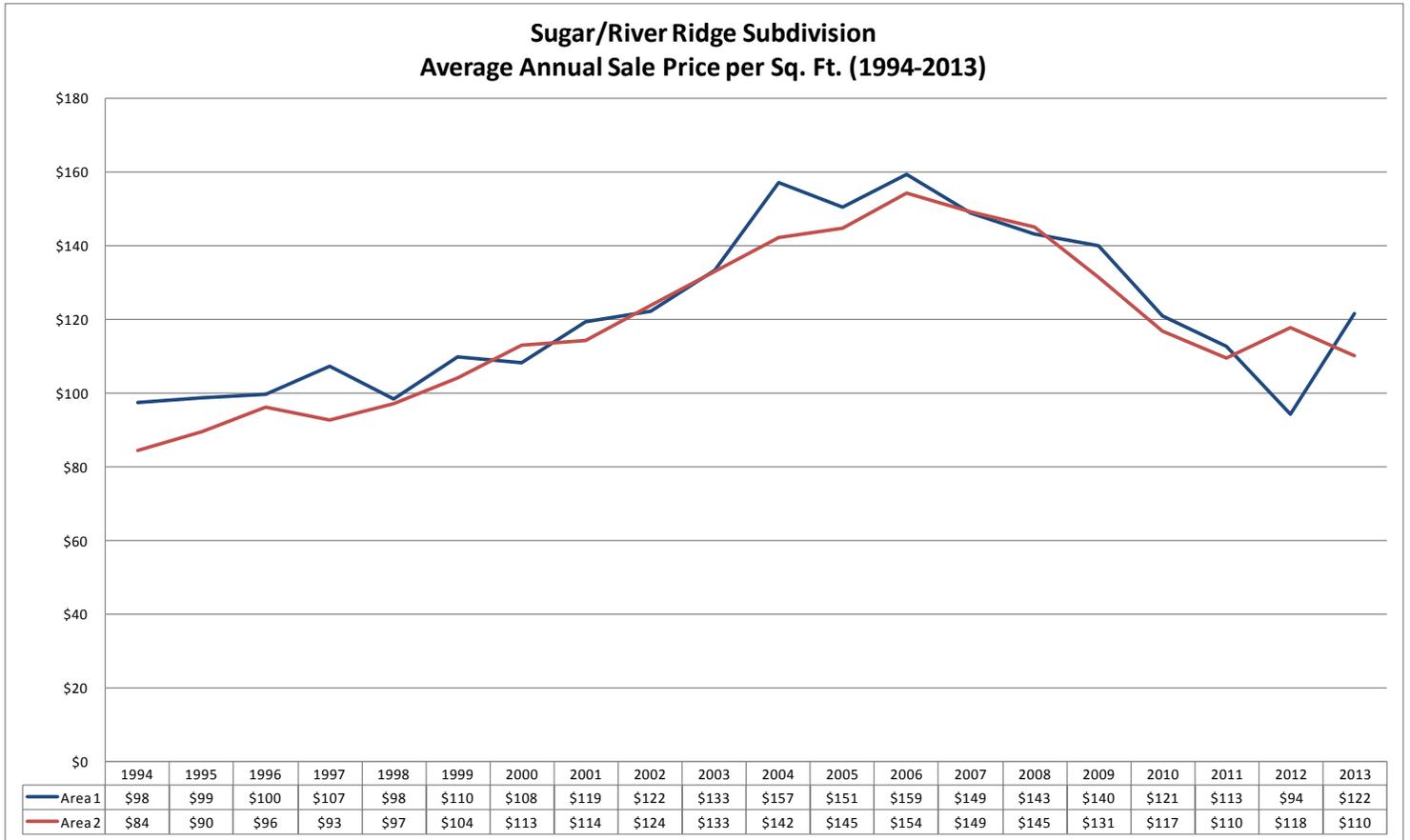
23. I also presented expert testimony in that prior proceeding. As it related to Sugar Ridge, my work involved a review of the expert report for the intervenors and my own independent collection and analysis of sales data in those two adjacent subdivisions. Unlike Mr. Phillips, we concluded there were enough sales in Sugar Ridge to determine the effect of the proposed transmission line on Sugar Ridge prices. In 1994, we found no discernible adverse effect on Sugar Ridge home prices from the announcement of the proposed transmission line project.

²⁶ Petition of COMMONWEALTH EDISON COMPANY for a Certificate of Public Convenience and Necessity, under Section 8-406 of the Illinois Public Utilities Act to construct, operate and maintain a new electric transmission line in Kane and DuPage Counties, Illinois, Docket No. 94-0179.

24. For this current assignment, we have updated our Sugar Ridge and River Ridge sales price analysis. My staff and I collected and analyzed multiple listing sales data between 1994 and 2013 in Sugar Ridge and River Ridge. We then undertook two types of analyses. First, we analyzed the average price each year for homes located within 500 to 700 feet of the transmission line corridor. We compared the average prices for those homes to the average price for other homes located further away in the same subdivisions. Prices were analyzed based on price paid per square foot of home area in order to eliminate any effect from differences in home size on the absolute sale price paid.

25. The map below shows the sales in the area located in the area within 500 to 700 feet from the transmission line corridor compared to sales in the rest of the subdivision. The existing transmission line is shown by the dashed line.





26. The northern edge of Area 1 colored in green on the map above is located between 500 feet and 700 feet north of the northern edge of the transmission line corridor.

27. The comparison of average sale prices between 1994 and 2013 is shown on the graph below.

28. In 15 of the 20 years studied, the average price of a home in the area located closest to the transmission line corridor was higher than in the rest of the Sugar Ridge and River Ridge neighborhood. Overall, the average price per square foot paid for homes in the portions of the subdivisions closest to the transmission line corridor was about 3.5% higher than the price paid for homes not located in proximity to the transmission line corridor.