presented the report and testimony of David Moody ("Moody") to support its position on fair market value.

K. Moody calculated two approaches, which produced similar fair market value figures. Sansoucy calculated only the cost approach in his appraisal.

II. PROPOSED FINDINGS AND RULINGS

The following are the requested findings and rulings of law based on the record submitted at trial.

A. PORTLAND'S PROPERTY AND BUSINESS

1. As of the assessment date, the property owned by Portland in Gorham was a part of Portland's trunk line for its integrated pipeline system. The trunk line traverses the states of Maine, New Hampshire and Vermont running a distance of 166 miles from Portland, Maine to a point at the U.S./Canadian border near Newport, Vermont. The trunk line consists of two parallel pipelines, one a 24-inch diameter pipeline constructed in 1965 and the other an 18-inch diameter pipeline constructed in 1950. The 24-inch pipeline runs for a distance of 33.48 miles in New Hampshire, of which 4.94 miles are located in Gorham. The 18-inch pipeline runs for a distance of 33.9 miles in New Hampshire, of which 4.96 miles are located in Gorham.

2. The trunk line at one time included a 12-inch pipeline. The 12-inch line was the first line constructed and was constructed in 1941. The 12-inch line was idled in 1982 and abandoned in place as of March 31, 1984. Since 1984, the 12-inch

construction cost of the 30-inch line to arrive at what he claimed to be the fair market value of the Portland pipeline in Gorham.

32. Sansoucy's appraisal of the pipeline is not credible. It assigns substantial weight (40%) to the possibility that the two 18-inch and 24-inch pipelines might be replaced by a 30-inch pipeline. This methodology is inconsistent with the evidence offered by Portland's witnesses, which I accept, to the effect that only a 30-inch line would be built as a replacement for the existing lines.

33. Sansoucy's appraisal of the pipeline is not credible for the further reason that his construction cost estimates for the construction of the pipelines are unreliable when compared to Garnette's calculations. Sansoucy misused off-the-shelf construction cost figures and produced conclusions which are less reliable than the site-specific construction estimates that Garnette developed and upon which Moody relied in his appraisal.

V. DEPRECIATION

34. In 1986, the FERC determined the depreciation rate for the Portland's pipe and pipeline fittings, which are Portland's depreciable assets in Gorham. Its determination was that the Portland pipeline had a remaining service life of 21.7 years. (Ex. 1, Schedule No. 5). By adding the pipeline's remaining depreciable service life to the years the pipelines had been in service, the FERC determined that, as of 1987, the Portland pipeline had a total service life of approximately 60 years. The

FERC based its determination on three factors: (1) the probable physical life of Portland's assets; (2) uncertainties about the future supply of crude oil (resource life); and (3) uncertainties about the future demand for crude oil. In making its determination, FERC determined "that the future demand for crude oil by the refineries in Montreal will be the main force constraining the life of the Portland system." (Exhibit 1, Depreciation Analysis at 3). Sansoucy agreed that it was reasonable for FERC to not forecast the pipeline's life beyond 2010 because of economic uncertainties. (TR. at 28).

35. Moody calculated that a prudent buyer of the pipeline would pay no more than the depreciated cost of replacing the two existing pipelines with one 30-inch pipeline. Having determined the replacement cost new of such a 30-inch pipeline using Garnette's estimates, he determined the physical depreciation applicable to the property utilizing techniques typically relied on by qualified appraisers. He concluded that the reasonable depreciable life of the Portland pipeline is 60 years.

36. Sansoucy's reproduction cost new less depreciation value is based on an assumed physical life of 90 years.

37. Sansoucy's determination to use 90 years as the physical life was derived from information he obtained about the oldest pipe a variety of companies still have in the ground, but none of the companies Sansoucy looked to were oil transmission companies. In calculating the depreciable life of Portland's pipelines, Sansoucy used this information about the oldest pipes

that the Town's assessment of Portland's property in excess of that amount was disproportionate and unjust; and I direct that the Town of Gorham recompute and abate Portland's 1992 tax to conform with this finding, and refund with interest the excess taxes paid by Portland.

Respectfully submitted,

PORTLAND PIPELINE COMPANY

By Its Attorneys,

RANSMEIER & SPELLMAN
Professional Corporation

July 1, 1994

By: ______________________

Steven E. Hengen
Harold T. Judd
One Capitol Street
P.O. Box 600
Concord, New Hampshire 03302
603/228-0477

Certificate of Service

I hereby certify that a copy of the foregoing Requests for Findings of Fact and Rulings of Law of The Portland Pipe Line Company was hand delivered this 1st day July, 1994 to Richard F. Upton, Esquire, counsel of record for the Town of Gorham, New Hampshire.

____
Steven E. Hengen
Harold T. Judd

0050904.WP