

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

Investigation pursuant to 30 V.S.A. §§ 30 and 209 regarding the alleged failure of Vermont Gas Systems, Inc. to comply with the certificate of public good in Docket 7970 by burying the pipeline at less than required depth in New Haven, Vermont))	Case No. 17-3550-INV
Notice of Probable Violations for Certain Aspects of the construction of the Addison Natural Gas Project))	Case No. 18-0395-PET

**VERMONT GAS SYSTEMS, INC.'S
RESPONSE TO THE INTERVENORS' MOTION TO BROADEN SCOPE OF
INVESTIGATION AND
RESPONSE TO THE MOTIONS TO INTERVENE AND CONSOLIDATE FILED
IN CASE NO. 18-0395-PET**

Vermont Gas Systems, Inc. (“VGS”) submits this Response to the Intervenor’s Motion to Broaden the Scope of this Investigation (“Motion to Broaden”) filed in this proceeding and the Motion to Intervene and Motion to Consolidate (“Motion to Consolidate”) Filed in Case No. 18-0395-PET.¹

Discussion

VGS is committed to maintaining the integrity and the safety of its pipeline, which is now providing homes and businesses in Addison County with natural gas service. VGS constructed the pipeline to meet or exceed all applicable safety requirements, and its construction process followed industry standards and practices. Similarly, VGS has agreed to and implemented more rigorous testing and monitoring standards for its operation and maintenance of the pipeline than would otherwise be required. The voluminous documentation and correspondence presented by VGS throughout this investigation, in its discovery responses, and submitted in response to the Department of Public Service’s (“Department”) recent Notice of Probable Violations, Case No. 18-0395-PET (“NOPV”), confirm these commitments. The Intervenor, who have opposed the

¹ VGS does not agree that those individuals seeking to intervene in the NOPV, Case No. 18-0395-PET, have standing to do so or that their interests would not be adequately represented by the Department. However, it does not intend to oppose intervention here given the precedents in ANGP-related dockets.

pipeline in many ways both at the Public Utility Commission (“Commission”) and elsewhere, nevertheless have alleged another set of new issues regarding this complex project, claiming VGS was inattentive to safety or unaware of its regulatory obligations.

Several of these latest claims are inaccurate or incomplete, and others have already been investigated extensively by the Department’s engineering staff and expert as a part of the comprehensive compliance plan submitted as a part of the NOPV matter.² Many of the issues raised by the Intervenors relate to the sufficiency of construction documentation and recordkeeping, or whether or not VGS had the latitude to exercise construction process judgment in the field.³

For all of these matters and any others the Commission wishes to address, VGS will support any regulatory process that will lead to a thorough and fair review of its performance and the safety of the pipeline. VGS is concerned that the Intervenors’ serial claims set forth during the current process instead drain party and Commission resources without providing the opportunity for focused review. Accordingly, VGS proposes that the Commission order a State-led review by an independent expert in pipeline construction and compliance. Such an expert could conduct a thorough review of VGS’ construction practices and construction-related documentation to assess VGS’ compliance with the applicable pipeline safety regulations and the Final Order in Docket 7970. The expert could also review VGS’ plans for ongoing testing and inspections of the pipeline’s integrity. The State’s expert could make a thorough report of findings and recommendations to the Commission and all parties. VGS believes that the Commission and the process will benefit from the technical and specialized knowledge of an independent expert versed in industry standards and requirements of pipeline construction.

² Intervenors attempt to imply the Department’s NOPV filing was timed in response to their intention to file the request to expand the scope, but the actual filing dates do not support their claim. The Department’s NOPV filing was made in advance of the status conference in this proceeding and amended only for clarification but not substance thereafter. VGS notes that the Intervenors’ criticism of the Department’s oversight does not credit the extensive review the Department conducted on the NOPV items, regardless of VGS’ disagreement with some of the Department’s conclusions, as confirmed by the considerable documentation submitted to the PUC regarding the NOPV.

³ Vermont Gas has reviewed ANR’s letter regarding the need to investigate actual installation of bentonite trench breakers, it agrees this issue requires further investigation, and it has already begun a review of this issue. VGS and its environmental experts are in the process of reviewing documentation of installation and compliance, VGS will confer with ANR on this review, and will provide further information to ANR and all parties when that review is complete.

VGS welcomes such a review because it stands behind the safety of its pipeline, while it also recognizes that it faced a number of challenges during the construction of this complex project. A State-led review will provide an efficient and effective independent third-party review of documentation and data to confirm the safety and integrity of the pipeline.⁴ The present process – wherein VGS responds at length to dispel one set of Intervenor allegations, only to face another – will not.

In the short term, VGS proposes a workshop be scheduled to discuss this process. As noted previously, VGS believes an independent expert could be retained either directly by the Commission or by the Department with Commission approval (and ultimate oversight). VGS will assist in any way it can to resolve the current investigation, NOPV, and any other issues related to the ANGP construction as promptly, efficiently, and effectively as possible.

Conclusion

For the reasons set out in this Response, VGS requests a State-led independent expert review of construction and compliance as described above. VGS respectfully submits such a review is the most comprehensive, efficient and thorough way to address the serial claims of the Intervenors. A State-led independent expert review will help ensure efficiently and effectively the public’s confidence in the pipeline, an outcome all parties should strongly support.

Dated at Burlington, Vermont this 22nd day of March, 2018.

VERMONT GAS SYSTEMS, INC.

By: 
SHEEHEY FURLONG & BEHM P.C.
Debra L. Bouffard, Esq.
30 Main Street
P.O. Box 66
Burlington, VT 05402
(802) 864-9891
dbouffard@sheeheyvt.com

⁴ A State-led review could be through an independent expert hired directly by the Commission or by an independent expert hired by the Department and approved by the Commission as a part of this process. Either way, the Commission would have ultimate oversight and authority over the process and any resulting outcome.