

**STATE OF VERMONT
PUBLIC UTILITY COMMISSION**

Notice of Probable Violations by Vermont)	
Gas Systems, Inc. for Certain Aspects of the)	Case No. 18-0395-PET
Construction of the Addison Natural Gas Project)	
)	

**DEPARTMENT OF PUBLIC SERVICE’S RESPONSE
TO THE MOTION TO INTERVENE AND CONSOLIDATE**

The Department of Public Service (“Department” or “DPS”) submits the following comments in response to the March 19, 2018, Motion to Intervene of Lawrence Shelton, Rachel Smolker, Kristin Lyons, Jane Palmer and Nathan Palmer, and Motion to Consolidate (“Motion”).

The individuals seeking intervenor status in this proceeding (“Individuals”) have asked to proceed as of right pursuant to Commission Rule 2.209(A)(3), stating that they have “demonstrated a substantial interest which may be adversely affected by the outcome of the proceeding, where the proceeding affords the exclusive means by which the applicant can protect that interest and where the applicant’s interest is not adequately represented by existing parties.” The Department has reviewed the arguments presented by the Individuals, and has concluded that the Commission’s requirements for intervention as of right have not been met. The Individuals do not qualify for intervention as of right because the interests they seek to protect are adequately represented by the Department of Public Service in this proceeding.

The Department notes that none of the points raised by the Individuals with respect to the Department’s recommended remediation of the NOPV issues are accompanied by the support of the opinion or analysis of a qualified gas pipeline expert. Specifically, the Individuals assert that the Department is not adequately representing their interests because the recommended remediation for the NOPV issues would expose them to increased risks associated with the pipeline, but, again, this statement is not supported by the analysis of a qualified expert. In contrast, the Department’s exercise of its regulatory supervisory responsibilities, including its preparation of the recommended remediation of the NOPV issues, has been informed by the Agency’s engineering staff, and outside gas pipeline industry experts. The remediation

recommended by the Department for the NOPV issues, which was prepared under the guidance of its outside gas pipeline expert, would require that the increased level of pipeline integrity inspections cover the entire length of the pipeline. This recommended remedial compliance plan also mandates that investigations occur promptly, and that repairs, remediation, and mitigation are completed in any case where the inspections indicate a risk of corrosion¹.

The Individuals also request permissive intervention. Although it is not clear to the Department that the Individuals have articulated an interest which satisfies the Commission's "substantial interest" standard for permissive intervention, the Department does not object to the Individual's intervention on a permissive basis.

The Department opposes the Individual's request for the NOPV case to be consolidated with Case No. 17-3550-INV. The Department respectfully requests that the Commission continue to treat the NOPV items as separate issues to be addressed within the scope of Case No. 18-0395 and pursuant to the process for resolving NOPVs. In the Department's judgment, these are the types of issues which are appropriately dealt with through the NOPV administrative regulatory enforcement and penalty process. On March 30, 2018, Vermont Gas Systems ("VGS") filed with the Commission a Stipulated Remedial Action Compliance Plan, which has been executed by both the Department and Vermont Gas Systems Inc. The resolution recommended by this compliance plan offers more than sufficient remedy for the noticed violations and will ensure the continued safety of the ANGP. Therefore, the Department takes the position that it would be neither an efficient nor productive use of the Commission's time and resources to draw these NOPV items into the scope of the investigation in Case No. 17-3550-INV.

¹ The Department's expert has recommended three types of inspections and surveys which are used to identify various conditions which could affect the integrity of the pipeline. The ILI inspection is designed to identify areas on the pipeline that may have dents or areas of ovality, and areas of metal loss from either external or internal corrosion. The pipeline is protected from external corrosion by both cathodic protection and a special corrosion resistive coating. The Close Interval Survey ("CIS") measures the cathodic protection all along the pipeline, except where it has been buried very deeply. The coating survey uses DCVG or ACVG (direct current voltage gradient or alternating current voltage gradient) to detect areas of insufficient coating. Integrating these inspections and reports (which is required by the recommended remediation plan) provides a detailed picture of the current condition of the pipeline and identifies those locations where investigation, repair, remediation, or mitigation may be necessary.

Dated at Montpelier, Vermont this the 2nd day of April 2018.

VERMONT DEPARTMENT OF PUBLIC SERVICE

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