

**State of Vermont
Public Service Board**

Petition of Vermont Gas Systems, Inc., for a)
certificate of public good, pursuant to 30)
V.S.A. § 248, authorizing the construction of)
the "Addison Natural Gas Project" consisting)
of approximately 43 miles of new natural gas) Docket No. 7970
transmission pipeline in Chittenden and)
Addison Counties, approximately 5 miles of)
new distribution mainlines in Addison County,)
together with three new gate stations in)
Williston, New Haven and Middlebury,)
Vermont)

**COMMENTS OF NATHAN PALMER ON DEPARTMENT OF PUBLIC SERVICE MOTION
FOR RELIEF FROM JUDGMENT AND PROPOSED SCHEDULE OF VERMONT GAS
SYSTEMS, INC.**

ATTACHMENT 1

Cost Comparison for Current Oil Customers with a Boiler or Furnace Less Than 5-10 Years Old

Your Cost for Oil					Your Cost for Natural Gas				
Number of gallons used (sample = 723 gallons) (1 Gallon of Oil = 138,200 btu's)					723 gallons of oil x 1.382 CCF of natural gas = 1000 CCF (1 CCF of Natural Gas = 100,000 btu's)				1000
	units (gallons)		price	annual cost		units		price	annual cost
					Daily access charge	365 days	x	\$.6602	\$240.97
					Distribution charge	1000	x	\$.6506	\$650.60
Oil charge	723	x	\$2.81	\$2031.63	Natural gas charge	1000	x	\$.5799	\$579.90
					Monthly low-income program charge	12 months	x	\$.78 ¹	\$9.36
Annual furnace or boiler cleaning	1 annual cleaning	x	\$200	\$200	Monthly payment for equipment rental or no-interest, 10 year loan for of new gas boiler or furnace installation	12 months	x	\$40.00 ²	\$480.00
TOTAL ANNUAL HOME HEATING COSTS TODAY (first 10 years)				\$2,081.63					\$1960.83
Rate increase to cover pipeline construction @ \$154 million	N/A					13.5% ³	x	\$1471.47	\$198.65
TOTAL ANNUAL HOME HEATING COSTS AFTER PIPELINE CONSTRUCTION (first 10 years)				\$2081.63					\$2159.48

¹ VGS' website states that the current low-income program charge is \$.78; however, residential bills in Burlington reflect a program fee of \$1.39.

² This amount reflects a conservative conversion cost of \$4800. Actual conversion costs depend upon, *inter alia*, the type of conversion (burner only versus full system installation), the type of furnace or boiler installed (high-efficiency), additional requirements such as a chimney liner, removal of old units, hazmat compliance, hook up for a home located greater than 100 feet from the road, etc.

³ Applied only to the daily access charge, distribution charge, and natural gas charge.

Cost Comparison for Current Oil Customers with a Boiler or Furnace Older Than 10 Years Old

Your Cost for Oil					Your Cost for Natural Gas				
Number of gallons used (sample = 723 gallons) (1 Gallon of Oil = 138,200 btu's)					723 gallons of oil x 1.382 CCF of natural gas = 1000 CCF (1 CCF of Natural Gas = 100,000 btu's)				1000
	units		price	annual cost		units		price	annual cost
					Daily access charge	365 days	x	\$.6602	\$240.97
					Distribution charge	1000	x	\$.6506	\$650.60
Oil charge	723 gallons	x	\$2.81	\$2031.63	Natural gas charge	1000	x	\$.5799	\$579.90
					Monthly low-income program charge	12 months	x	\$.78 ⁴	\$9.36
Annual furnace or boiler cleaning	1 annual cleaning	x	\$200.00	\$200.00	Monthly payment for equipment rental or no-interest, 10 year loan for of new gas boiler or furnace installation	12 months	x	\$80.00 ⁵	\$960.00
TOTAL ANNUAL HOME HEATING COSTS TODAY (first 10 years)				\$2081.63					\$2440.83
Rate increase to cover pipeline construction @ \$154 million	N/A					13.5% ⁶	x	\$1471.47	\$198.65
TOTAL ANNUAL HOME HEATING COSTS AFTER PIPELINE CONSTRUCTION (first 10 years)				\$2081.63					\$2,639.48

⁴ VGS' website states that the current low-income program charge is \$.78; however, residential bills in Burlington reflect a program fee of \$1.39.

⁵ This amount reflects a conservative conversion cost of \$4800. Actual conversion costs depend upon, *inter alia*, the type of conversion (burner only versus full system installation), the type of furnace or boiler installed (high-efficiency), additional requirements such as a chimney liner, removal of old units, hazmat compliance, hook up for a home located greater than 100 feet from the road, etc.

⁶ Applied only to the daily access charge, distribution charge, and natural gas charge.