



January 29, 2013

Mrs. Susan M. Hudson, Clerk
Vermont Public Service Board
112 State Street
Montpelier, VT 05620-2701

RE: Docket No. 7970 – Vermont Gas Addison Natural Gas Project (the “Project”)

Dear Mrs. Hudson:

In preparation for the January 30, 2013 prehearing conference in this matter, please find enclosed (1) a proposed revised docket schedule, and (2) revised project maps (Sheets 17-28 of Appendix I to Exhibit Petitioner JAN-2), which are being provided to notice the Board and parties of Vermont Gas Systems, Inc. (“VGS” or “Vermont Gas”)’s proposed realignment of the corridor in several locations in accordance with community input received following the December 20, 2012 filing. Vermont Gas has shared this draft schedule and the proposed route realignments with the Vermont Department of Public Service (“DPS”) and the Agency of Natural Resources (“ANR”) and, by this mailing, is copying those individuals who have recently filed notices of appearance with the Public Service Board (“PSB” or “Board”).

Before getting into the background regarding the schedule specifics, I would like to emphasize that since the time of its December 20, 2012 filing, VGS has worked in earnest with community members and representatives, landowners, the DPS, ANR, the Army Corps of Engineers, and other agencies, to address comments, questions, and requests for route adjustments in several communities. The schedule proposed reflects this hard work and anticipates a supplemental filing for route adjustments up front, rather than in rebuttal or a post-CPG process, and we believe this will contribute to a more efficient Board process.

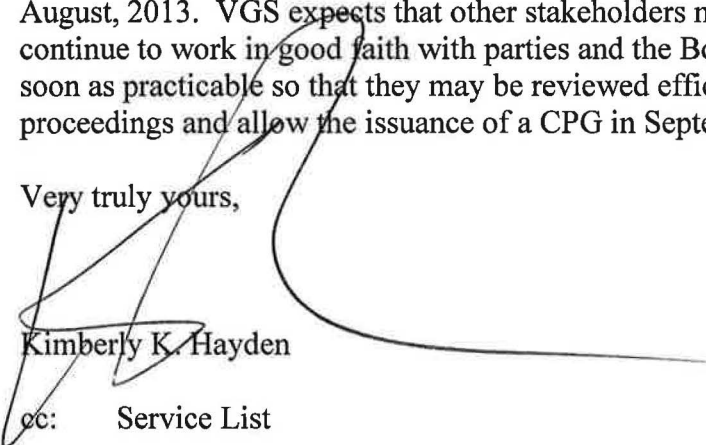
Notwithstanding this, VGS is cognizant that this is a major energy project and will likely require a full contested case schedule. This is why VGS is proposing a 9-month schedule. Having said that, and as noted in our filing letter and the testimonies of Mr. Gilbert and others, a September or October, 2013 CPG date is critical to allow construction of the pipeline to reach the

Middlebury Industrial Park by the Fall of 2014 which will allow construction of the distribution networks to Vergennes and Middlebury in 2015. If approved, the Project will produce other significant benefits to the state, including reducing Addison County energy bills by over \$200 million over the next 20 years, providing \$1.7 million in annual property tax income to the state, and reducing almost 16,000 tons of greenhouse gas emissions per year. This schedule allows these benefits to be realized as soon as possible.

As noted in the December 20, 2012 filing letter submitted to the Board and letters submitted to landowners, VGS planned to (and has) continue to work with community representatives and stakeholders along the proposed Project alignment in the Towns of Monkton and Hinesburg where interest has been expressed to move the pipeline away from roadways and into the nearby existing Vermont Electric Power Company, Inc. ("VELCO") corridor. Following further input from these communities, VGS now plans to modify the route alignment in several locations away from roadways and into the VELCO corridor (or adjacent to it). VGS has notified representatives of the DPS, ANR, VELCO and the Army Corps of Engineers of these plans. Please note that the VELCO corridor, as well as the original route proposed on December 20, 2012, was fully delineated on Sheets 17-28 (of 59 sheets) in Exhibit JAN-2, Appendix 1 (the Project natural resource mapping). The pipeline alignment revisions are therefore, in the context of the overall Project, limited, and the majority of the proposed new alignment has been fully surveyed for natural resources. The proposed revised route alignment is shown in the attached revised Sheets 17-28 of Appendix I to Exhibit Petitioner JAN-2. VGS is in the process of completing the engineering detail sheets for this realignment and plans to file supplemental engineering sheets (revisions to Exhibit Petitioner JH-3) together with supplemental testimony on February 28, 2013.

The schedule has been structured to account for these Project realignment updates, a workshop, discovery, other standard deadlines, and ultimately technical hearings in the first week of August, 2013. VGS expects that other stakeholders may request further changes and will continue to work in good faith with parties and the Board to identify any proposed changes as soon as practicable so that they may be reviewed efficiently during the course of these proceedings and allow the issuance of a CPG in September, 2013.

Very truly yours,


Kimberly K. Hayden

cc: Service List

13937367.1

PSB Docket No. 7970 - SERVICE LIST

Louise C. Porter, Esq.
Timothy M. Duggan, Esq.
Vermont Department of Public Service
112 State Street
Montpelier, VT 05620-2601

Kimberly K. Hayden, Esq.
Downs Rachlin Martin PLLC
199 Main Street - P.O. Box 190
Burlington, VT 05402-0190

(For Vermont Gas Systems, Inc.)

John H. Marshall, Esq.
Lisa A. Fearon, Esq.
Downs Rachlin Martin PLLC
90 Prospect Street - P.O. Box 99
St. Johnsbury, VT 05819-0099

(For Vermont Gas Systems, Inc.)

Judith Dillon, Esq.
Vermont Agency of Natural Resources
103 South Main Street - 3rd Floor Center Building
Waterbury, VT 05671-0301

Paul S. Gillies, Esq.
Tarrant, Gillies, Merriman & Richardson, LLP
P.O. Box 1440
Montpelier, VT 05601-1440

(For Town of Williston)

Toni H. Clithero, Esq.
Assistant Attorney General's Office
Vermont Agency of Transportation
One National Life Drive
Montpelier, VT 05633-5001

(For Vermont Agency of Transportation)

Cindy Ellen Hill, Esq.
Law Office of Cindy Hill
P.O. Box 314
East Middlebury, VT 05740

(For Town of New Haven)

S. Mark Sciarrotta, Esq.
Vermont Electric Power Company, Inc.
366 Pinnacle Ridge Road
Rutland, VT 05701

(For Vermont Electric Power Company, Inc.
and Vermont Transco LLC)

Benjamin W. Putnam, Esq.
Karl W. Neuse, Esq.
Neuse, Duprey & Putnam, P.C.
One Cross Street
Middlebury, VT 05753

(For Town of Middlebury)

Joshua Diamond, Esq.
Diamond & Robinson, P.C.
P.O. Box 1460
Montpelier, VT 05601-1460

(For Town of Monkton)

Adam Lougee, Esq.
Addison County Regional Planning Commission
14 Seminary Street
Middlebury, VT 05753

(For Addison County Regional
Planning Commission)

Robert F. O'Neill, Esq.
Gravel & Shea PC
76 St. Paul Street
PO Box 369
Burlington, VT 05402