



September 12, 2024

Dear Recipient:

This letter is being sent to give you 45 days' advance notice regarding a Petition that Vermont Gas Systems, Inc. ("VGS") is required to file with the Vermont Public Utility Commission ("Commission") regarding the Addison Natural Gas Project (the "Project" or the "pipeline"). The Commission approved the Project in 2013 in Docket No. 7970 and construction was completed in 2017. You are receiving this letter because you have been identified as a person or entity that is entitled to notice of this upcoming Petition under Commission rules, which includes adjoining landowners; host landowners; the municipal legislative bodies and municipal and regional planning commissions in the towns where the pipeline is located; the Department of Public Service; the Agency of Natural Resources; the Natural Resources Board; the Division for Historic Preservation; the Agency of Agriculture, Food & Markets; and parties to Commission Docket No. 7970. Pursuant to Commission Rule 5.402, this letter is intended to help you understand why this Petition will be filed and provides access to the Petition and supporting exhibits, which can be found at the following link:

www.vgsvt.com/Petition2024

Background

In 2013, the Commission issued a Certificate of Public Good ("CPG") pursuant to 30 V.S.A. § 248 ("Section 248"), authorizing VGS to construct and operate the pipeline, which traverses approximately 41 miles from Colchester through Essex, Williston, St. George, Hinesburg, Monkton, and New Haven, to Middlebury, Vermont, including 3.73 miles of six-inch distribution mainline toward Vergennes in the Towns of New Haven, Ferrisburgh, and Waltham, and 1.35 miles of six-inch distribution mainline in Middlebury. Since construction was completed in 2017, the pipeline has provided safe, reliable, and affordable energy to thousands of Vermont customers, including residential and commercial customers in Middlebury and Vergennes. In 2021, the new VGS pipeline began receiving renewable natural gas that is produced at a family dairy farm in Salisbury.

After construction was completed, the Commission opened an investigation into certain aspects of the construction of the pipeline. The investigation included participation from the Vermont Department of Public Service; the Agency of Natural Resources; William R. Byrd and RCP, Inc., an independent pipeline safety expert retained by the Commission; the Vermont Electric Power Company, Inc.; VGS; VHB, an environmental consulting firm retained by VGS; Mott MacDonald, a professional engineering firm retained by VGS; Integrity Solutions, DNV GL

USA, a pipeline safety consultant retained by VGS; and a group of citizen intervenors (“Intervenors”).

During the investigation, the Commission held multiple evidentiary hearings and took extensive evidence from pipeline safety experts regarding the construction, safety, and operation of the pipeline. The Commission’s independent expert, Mr. Byrd, submitted a 74-page Investigative Report, including 70 supporting attachments, that examined nearly every aspect of pipeline construction. Mr. Byrd’s investigation concluded that the pipeline “was thoroughly and competently designed and engineered using modern equipment and technology, and comprehensively inspected during construction by multiple parties.” Other expert witnesses with decades of experience in pipeline engineering and pipeline safety reached the same conclusion. After a nearly six-year investigation, the facts about construction of the pipeline are clear: The pipeline was adequately constructed and is safe. It will continue to provide safe, reliable, and affordable service to Vermont customers.

Why Does a New CPG Amendment Petition Need to Be Filed?

VGS is required to file a petition to amend its current CPG because the Vermont Supreme Court (the “Court”) has said that this is the procedure that is required for the Commission to make amendments to the CPG, and the Commission has directed VGS to file a petition requesting formal amendments to the CPG.¹ At the conclusion of the investigation, the Commission determined that although the pipeline was adequately constructed and is safe, construction involved several unapproved changes and VGS should have obtained amendments to the CPG before making those changes. The Commission concluded that none of these changes had any actual impacts under the applicable Section 248 criteria (which include public safety and the environment) and established a process to amend the CPG as part of the investigative proceeding.

Intervenors appealed that decision to the Court. The Court found that the Commission should have followed certain procedures before amending a CPG and should not have proceeded toward a final determination about whether a change had actual impacts under the applicable Section 248 criteria before those procedures were followed. The CPG amendment process required by the Court includes certain notice requirements, such as a 45-day advance notice letter under Commission rules. For more detail about the process, please see “Additional Information” below. This advance notice letter, and the Petition that will be filed with the Commission, will satisfy the procedural requirements specified by the Court.

¹ The Commission’s June 25, 2024 Order directing VGS to file a new petition and discussing the process is enclosed herewith and can also be accessed at the website cited in this letter: www.vgsvt.com/Petition2024.

What Will the New Petition Address?

The Petition will formally request Commission approval of five CPG amendments that VGS proposed to the Commission prior to the appeal, which include: changes made to (1) the specified burial techniques in the Clay Plains Swamp in New Haven, (2) planned depth of cover in the Clay Plains Swamp, (3) specifications regarding installation at the bottom of the trench and trench breakers, (4) compaction specifications, and (5) staffing of Vermont-licensed engineers.

The Petition will be accompanied by extensive evidence from the investigation discussed above, which demonstrates that none of these five changes had any actual impacts under the applicable Section 248 criteria, including the lack of any impact on public safety and the environment. The Petition and referenced exhibits contain detailed information describing each of the five Project changes noted above. If you would like to learn more about this Petition and/or the related expert testimony and evidence from the investigation, please visit the following website, also noted above, which provides the Petition and supporting exhibits that will be filed with the Commission following the 45-day notice period:

www.vgsvt.com/Petition2024

If you are not able to access this information via electronic means, please contact me at the phone number or email address listed below. The Petition and accompanying exhibits are too voluminous for paper production, but we can discuss alternatives such as a CD, thumb drive, or paper copies of select documents if you are unable to access them online.

Additional Information:

Projects (or formal amendments) submitted to the Commission pursuant to Section 248 require that local and regional planning commissions and municipal legislative bodies be given 45 days' advance notice of the filing. A copy of this letter is being provided to these officials in the towns where the pipeline is located to satisfy that requirement. Section 248(f) of Title 30 provides information regarding participation of municipal and regional planning commissions in Section 248 proceedings. Per 30 V.S.A. § 248(f)(1)(A), each municipal and regional planning commission may convene a public hearing on the proposed petition. Pursuant to section 248(f)(1)(C), each planning commission may submit recommendations to the petitioner within 40 days of the petitioner's submittal to the planning commissions, which is October 22, 2024, for this CPG amendment request. The petitioner's application to the Commission must address any written comments provided to the petitioner in response to the 45-day advance submission that are related to the Section 248(b) criteria and any oral comments related to those criteria made at any public hearing conducted pursuant to 30 V.S.A. § 248(f)(1)(A). Section 248(f)(1)(D) provides that once the petition is filed with the Commission, each planning commission may

make recommendations to the Commission. Title 30 of the Vermont Statutes is available at the Vermont General Assembly website at: <https://legislature.vermont.gov/statutes/title/30>.

For additional information regarding the Commission's review process, please reference the Commission's document labeled, "Public Participation and Intervention in Proceedings Before the Public Utility Commission," which can be found on the Commission's website at: <https://puc.vermont.gov/document/public-participation-and-intervention-proceedings-public-utility-commission>. Specific information about Section 248 cases can be found on the Commission website at: <https://puc.vermont.gov/document/section-248-procedures>.

I would be pleased to talk with you about this Petition and answer any questions you may have. I can be reached by phone, 802-951-0352, or by email, mbouchard@vermontgas.com.

Sincerely,



Mary G. Bouchard
Regulatory & Corporate Counsel
Vermont Gas Systems, Inc.

STATE OF VERMONT
PUBLIC UTILITY COMMISSION

Case No. 7970

Amended 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 Pipeline” consisting of approximately 43 miles of new natural gas 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	
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Case No. 17-3550-INV

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	
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Case No. 17-4909-PET

Petition of Vermont Gas Systems, Inc., pursuant to 30 V.S.A. § 248, for a Certificate of Public Good to authorize construction of a pressure-regulation station in Monkton, Vermont	
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Case No. 18-0395-PET

Notice of Probable Violations of Vermont Gas Systems, Inc. for certain aspects of the construction of the Addison natural gas pipeline	
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Order entered: 06/25/2024

POST-APPEAL ORDER OUTLINING NEXT STEPS

In December 2013, the Vermont Public Utility Commission (“Commission”) granted a petition submitted by Vermont Gas Systems, Inc. (“Vermont Gas”) for a certificate of public good (“CPG”), pursuant to 30 V.S.A. § 30, to construct a natural gas pipeline.¹ The final order and CPG set forth conditions controlling how Vermont Gas was to carry out its construction of the pipeline. In June 2017, Vermont Gas submitted a request to the Commission for a determination that its failure to bury the pipeline four feet deep within the VELCO-right-of-way constituted a non-substantial change. In response to Vermont Gas’s request, we opened an investigation, pursuant to 30 V.S.A. §§ 30 and 209, to determine whether Vermont Gas violated its CPG.

After a public hearing, the Vermont Department of Public Service (“Department”) filed with the Commission a notice of probable violations against Vermont Gas. The Department sought to examine the extent to which Vermont Gas’s construction of the pipeline deviated from the project specifications in the final order and CPG. The Department-initiated proceeding was consolidated with the Commission’s investigation. The investigation was further expanded in response to intervenor requests. In April 2023, we issued a final order adopting the hearing officer’s findings that Vermont Gas committed five substantial-change violations and one material-deviation violation of its CPG and imposing a \$150,000 penalty. The Commission agreed with the hearing officer that an amendment to the CPG was needed; however, we determined that the amendment could be processed in the investigation proceedings. The intervenors filed an appeal of the April 2023 order.

On May 24, 2024, the Vermont Supreme Court issued a certified opinion and mandate letter deciding an appeal of the Commission’s April 6, 2023, decision in Case Nos. 17-3550-INV and 18-0395-PET. In its order, the Supreme Court upheld the Commission’s decision finding that Vermont Gas had violated its CPG and imposing a \$150,000 penalty. However, the Court took issue with the procedure the Commission used to amend the underlying CPG. Thus, the Commission is required on remand to review, in a separate proceeding, a proposed amendment to Vermont Gas’s CPG.

¹ Case No. 7970, Order of 12/23/13.

On May 29, 2024, in Case Nos. 17-3550-INV and 18-0395-PET, Vermont Gas filed a motion for procedural order regarding remand proceeding seeking guidance from the Commission. Vermont Gas proposes that it will (1) provide broad advance 45-day notice of its amendment petition;² and (2) file a petition to amend the CPG issued in Case No. 7970, relying on the evidentiary record in Case Nos. 17-3550-INV and 18-0395-PET. Vermont Gas requests that the Commission convene a status conference after the amendment petition is filed.

On June 11, 2024, in Case Nos. 17-3550-INV and 18-0395-PET, Kristin Lyons, Jane Palmer, Nate Palmer, Lawrence Shelton, and Rachel Smolker (“Intervenors”) responded to Vermont Gas’s motion. The Intervenors argue that the contents of the 45-day notice must conform to the requirements for such a notice under Commission Rule 5.400 and that Vermont Gas’s proposal falls short of the notice required by Rule 5.400. The Intervenors agree with Vermont Gas that the evidentiary record from Case Nos. 7970, 17-3550-INV, and 18-0395-INV should be incorporated into the record in the new petition proceeding. The Intervenors support a status conference after the amendment petition is filed. Finally, the Intervenors state that they intend to file a motion requesting that the Commission order Vermont Gas to file a petition for waiver pursuant to Section 248(k) or cease operations.³

On June 18, 2024, in Case Nos. 17-3550-INV and 18-0395-PET, Vermont gas filed a reply to the Intervenors’ response.

In this Order, the Commission outlines the next steps in four separate cases affected by the Supreme Court’s decision and remand.

As an initial matter, the questions of whether Vermont Gas violated its CPG and must pay a penalty are resolved on appeal. Pursuant to 30 V.S.A. § 30, Vermont Gas must pay a civil penalty in the amount of \$150,000.00 by sending to the Commission at 112 State Street,

² Vermont Gas proposes a 45-day notice letter to all persons currently entitled to notice of a Section 248 petition under Commission Rule 5.400. This includes the municipal and legislative bodies in the towns where the Addison Natural Gas Pipeline is located; all adjoining landowners; host landowners; the Department of Public Service; the Agency of Natural Resources; the Natural Resources Board; the Division for Historic Preservation; and the Agency of Agriculture, Food & Markets. Vermont Gas also states that notice will be provided to all parties to Docket No. 7970.

³ The Intervenors assert that the basis for this motion is that Vermont Gas “is operating a natural gas pipeline that, as constructed, was not authorized by the initial CPG, is not authorized by any amended CPG, and as to which the Commission has made no valid findings that the criteria that the legislature has dictated must be satisfied before operation have been satisfied — including safety.” Intervenors’ Motion at 3.

Montpelier, VT 05620-2701, a check in that amount made payable to the State of Vermont within 30 days of the date of this Order. Upon deposit of the payment, Case Nos. 17-3550-INV and 18-0395-PET will be closed.

Additionally, Case No. 17-4909-PET has been stayed since April 5, 2018. That case was stayed pending the completion of the safety investigation being conducted in Case No. 17-3550-INV and the related Case No. 18-0395-PET. Those matters are now finally resolved by the appeal, so the stay is lifted. We request that Vermont Gas make a filing in Case No. 17-4909-PET either (1) withdrawing the petition and requesting that the case be closed, or (2) requesting that the case proceed and presenting a schedule for further proceedings. This filing is due by June 28, 2024.

Based on the Supreme Court's decision, we agree that Vermont Gas should issue a 45-day notice. The notice must follow the requirements under current Commission Rule 5.400. We agree with Vermont Gas as to the list of persons and entities entitled to notice and the inclusion of the parties to Case No. 7970.

After the 45-day notice period has run, Vermont Gas must file, using ePUC, a petition in a new case requesting amendments to the CPG granted in Case No. 7970 to reflect the unapproved substantial changes made to the pipeline by Vermont Gas. Vermont Gas's filing must include specific proposed conditions that address each of the five substantial-change violations identified in our April 3, 2023, order in Case Nos. 17-3550-INV and 18-0395-PET, and account for the remedial actions recommended by the expert witnesses in those proceedings. With respect to those remedial actions, Vermont Gas's filing must explain why those actions will prevent any future instances of undue impacts under the criteria identified as relevant to potential significant impacts in the proposal for decision based on evidence presented and the findings and conclusions in Case Nos. 17-3550-INV and 18-0395-PET.

Further, since the time the order and CPG were issued in Case No. 7970, the Commission has transitioned from a hard-copy, paper-based filing and case-management system to an on-line, electronic filing and case-management system, ePUC. The transition to ePUC has been quite positive and has been effective in reducing the burdens on all parties, especially with respect to

those resulting from the need to file multiple copies of documents with the Commission and to serve hard copies of all filings on all parties to a case, which in some cases can be many.

When ePUC was implemented, the Commission determined that, because of resource constraints and challenges associated with importing extensive paper records into ePUC, nearly all cases that were pending at that time would continue to be processed under the older hard-copy, paper-based system. These cases are known as “legacy cases.” The Commission expected that the number of open legacy cases would decrease over time as final orders were issued in those proceedings.

Because a new petition is required to amend the CPG issued in Case No. 7970, the Commission will take this opportunity to transition Case No. 7970 into ePUC.⁴ Once the new petition case is filed, Case No. 7970 will be closed.

Vermont Gas must include this order with its notice of the amendment petition. After the new petition case for the amended CPG is filed, we request that parties to Case No. 7970 who wish to participate in the new petition case file a notice to intervene.⁵ Persons or entities who did not participate in Case No. 7970 but wish to participate in the new petition case after it is filed, must file a notice or motion to intervene as required by Commission Rules 2.209 and 5.400.

You must participate in the new case using ePUC unless one of the exceptions stated in Commission Rule 2.110 applies. Instructions for creating an ePUC user account can be found here: <https://puc.vermont.gov/epuc-information/create-epuc-user-account>. Instructions for how to make a filing using ePUC can be found here: <https://puc.vermont.gov/epuc-information/make-filing>. General information and guidance for using ePUC can be found here: <https://puc.vermont.gov/epuc-information/epuc-help>. Additionally, Commission staff are available to answer questions regarding the use of ePUC.

⁴ Typically, an amendment would be filed in an amendment subcase in ePUC within the underlying CPG case, pursuant to Commission Rule 5.400 that went into effect on March 1, 2024. Because the underlying case here is a legacy case, we are requiring that this petition be filed as a new petition case to effectuate the transition to ePUC.

⁵ Given the amount of time that has elapsed, we want to ensure that we have accurate contact information for each party that wants to participate and that parties are given an opportunity to file notices of appearance, if represented.

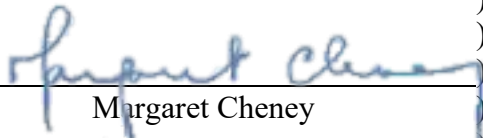
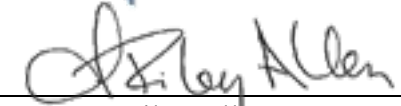
To request a waiver under Commission Rule 2.110(B) of the requirement to use ePUC, you can file the “Request for Waiver of Requirement to Use ePUC and Notice of Appearance” form that is available on the Commission’s website and from the Clerk of the Commission at 802-828-2358 or puc.clerk@vermont.gov.

We understand that Vermont Gas and the Intervenors agree that the evidentiary record — and Commission orders — from Case Nos. 7970, 17-3550-INV, and 18-0395-INV should be incorporated into the record in the new petition proceeding. For clarity of the record and because the filings in Case No. 7970 were substantially made in paper, it is important that all documents to be incorporated be filed into the new petition case in ePUC. Therefore, even if filed in a previous Commission case, all documents in support of Vermont Gas’s petition and part of the evidentiary record in Case Nos. 7970, 17-3550-INV, and 18-0395-INV must be filed into the new case.

The Commission will not prejudge the anticipated filings mentioned by Vermont Gas and the Intervenors. Once a filing is made, Vermont Gas, the Intervenors, and any other parties will have an opportunity to file motions and responses as appropriate.

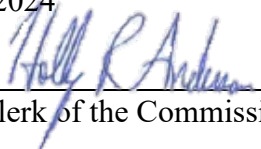
SO ORDERED.

Dated at Montpelier, Vermont, this 25th day of June, 2024.

	)	
Edward McNamara	)	PUBLIC UTILITY
	)	
	)	COMMISSION
Margaret Cheney	)	
	)	
	)	OF VERMONT
J. Riley Allen	)	

OFFICE OF THE CLERK

Filed: June 25, 2024

Attest: 
Clerk of the Commission

Notice to Readers: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Commission (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: puc.clerk@vermont.gov)