

July 9, 2015

Joshua D. Leckey
jleckey@drm.com

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

Re: Docket No. 7970: Phase 1 of the Addison Rutland Natural Gas Project
Request for Non-Substantial Change Determination

Dear Mrs. Hudson:

With this letter, Vermont Gas Systems, Inc. (“Vermont Gas” or “VGS”) is providing the Public Service Board (the “Board”) with notice of an additional, non-substantial change (the “Project Change”) to Phase 1 of the Addison Rutland Natural Gas Project (“Phase 1” or the “Project”) approved in Docket No. 7970. The Project Change is related to relocating mainline valve 1 (“MLV-1”) to a different location on the same parcel to move it away from overhead electrical lines and the existing roadway. The proposed change will improve both constructability and on-going maintenance.

I. Background

On December 23, 2013, the Board issued an Order granting a Certificate of Public Good (“CPG”) to VGS authorizing the construction and operation of the Project. As would be expected with a linear project, certain changes have arisen, either in response to field conditions, including the opportunity for potential efficiencies, and/or in response to stakeholder comments, including the Agency of Natural Resources (“ANR”). The first of these changes were the subject of a non-substantial change filing by Vermont Gas on April 3, 2015, which the Board approved on June 12, 2015.¹

The proposed Project Change concerning MLV-1 was not ready to be included in the April 3rd filing as Vermont Gas had not yet fully reviewed the relocation with the affected landowner, Chittenden Solid Waste District (“CSWD”). Vermont Gas now has CSWD’s concurrence for the proposed relocation and is submitting this filing as an additional non-substantial change to the approved Project plans in Docket No. 7970. I note that MLV-1 is located along the first eleven

¹ *Order Re: Request for Non-Substantial Change Determination*, Docket No. 7970, Order of 6/12/15 at 5.

miles to be constructed this construction season, and accordingly Vermont Gas would appreciate a Board determination on this matter by September 15, 2015. Vermont Gas does not expect any further non-substantial changes associated with the first eleven miles of the Project.²

Vermont Gas has evaluated the potential impacts of the Project Change and concluded that it presents no potential for any significant impacts to any of the relevant Section 248(b) criteria. VGS previewed the Project Change with both the Agency of Natural Resources (“ANR”) and the Department of Public Service (the “Department”) in advance of this filing and no comments have been received to-date. In addition, no changes in collateral permits are expected to be required. Vermont Gas has acquired the land rights associated with the Project Change and the impacted landowner has agreed to the relocation. Finally, the current Project budget of \$154 million is adequate to address this proposed change and no budget adjustment is necessary. Accordingly, Vermont Gas concludes the proposed Project Change is non-substantial and improves the Project without raising substantial issues with respect to any of the applicable Section 248 criteria. Consequently, Vermont Gas respectfully requests a determination from the Board that the change does not represent a substantial change or a material deviation from the approved Project.

In support of this request, included with this letter are the following attachments:

- Attachment 1: Non-Substantial Change Summary Memorandum from John Stamatov, Project Manager, together with an orthographic map depicting the approved and proposed locations for MLV-1 as Attachment A and an updated EPSC Plan Sheet relevant to the change as Attachment B.
- Attachment 2: Natural Resource Assessment Memorandum from Jeffrey A. Nelson and Joshua Sky, VHB, and a natural resource plan sheet relevant to the change as Attachment A.
- Attachment 3: Aesthetics Review Memorandum from Michael J. Buscher, T.J. Boyle Associates.
- Certificate of Service

II. Non-Substantial Change Analysis

In its non-substantial change filing of April 3, 2015, Vermont Gas provided the standard of review for project changes under Board Rule 5.408 as well as the requirements under the

² As would be expected with a linear project, VGS anticipates that there will be additional non-substantial changes associated with the remaining approximately thirty miles slated for construction in 2016 or late 2015, construction schedule and conditions permitting. Any additional non-substantial changes will be filed with the Board as appropriate.

Project's CPG.³ Likewise, the Board's order finding that those changes were non-substantial detailed the governing law.⁴ Rather than reiterate those standards here, VGS relies on its prior filing and the Board's order.

As explained in the Environmental Consideration Memorandum provided as Attachment 2, the proposed Project Change does not raise significant issues with regards to the relevant Section 248(b) criteria. The change will occur within the existing corridor, with no earth disturbance outside the previously permitted corridor, and the modification will be undertaken in accordance with existing permits. In addition, the Project Change will have no impact on cultural and historic resources.

The Aesthetics Review Memorandum included as Attachment 3 demonstrates that the proposed Project Change does not raise significant issues with regards to the relevant Section 248(b) criteria.

Finally, as described in Mr. Stamatov's Non-Substantial Change Summary Memorandum, submitted as Attachment 1, the proposed change will have no impact on the overall cost of the Project and does not require modifications to the Project budget of approximately \$154 million, as filed with the Board on December 19, 2014.

When considered in the context of the overall Project, the Project Change is a relatively minor modification that does not meaningfully change the Project's size or scope. It does not represent a modification that has the potential for significant impact on the relevant Section 248 criteria. Therefore, the Proposed Change is non-substantial.

III. Conclusion

Based on the Foregoing, Vermont Gas requests that the Board issue a determination that the limited modification described herein constitutes neither a substantial change requiring a CPG amendment nor a material deviation from the approved plans. In addition, because the Project's CPG requires that construction of the Project be done in accordance with the plans and evidence submitted, Vermont Gas respectfully asks that the Board admit the revised exhibits provided herein to the record of this Docket to ensure compliance with Condition 1 of the CPG.⁵

³ See *VGS Request for Non-Substantial Change Determination*, Docket No. 7970, filed on 4/3/15 at 3.

⁴ See *Order Re: Request for Non-Substantial Change Determination*, Docket No. 7970, Order of 6/12/15 at 3 (setting forth standard under Board Rule 5.408 and requirements under the Project's CPG).

⁵ See *Joint Petitions of Vt. Transco LLC, Vt. Elec. Power Co., and Cent. Vt. Pub. Serv. Corp.*, Docket No. 7751, Order of 2/11/13 at 3.

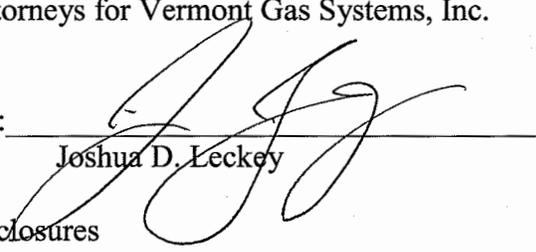
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As noted above, in order to provide VGS with sufficient time complete the first eleven miles within this construction season, Vermont Gas respectfully requests a Board ruling by September 15, 2015.

Thank you in advance for your consideration and attention in this matter, and please let VGS know should you have any questions or require additional information concerning the proposed modification.

Very truly yours,

DOWNS RACHLIN MARTIN PLLC
Attorneys for Vermont Gas Systems, Inc.

By: 
Joshua D. Leckey

Enclosures
cc: Certificate of Service