

STATE OF VERMONT
PUBLIC SERVICE BOARD

Re: Petition of Vermont Gas Systems, Inc.)
Requesting a Certificate of Public Good, Pursuant)
to 30 V.S.A. Section 248, authorizing the construction)
of the “Addison Natural Gas Project” consisting of)
approximately 43 miles of new natural gas transmission) Docket No. 7970
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)

MEMORANDUM OF AGREEMENT BETWEEN THE TOWN OF MIDDLEBURY
AND VERMONT GAS SYSTEMS, INC.

This Agreement dated this ____ day of September 2013 is made between the Town of Middlebury (“Middlebury” hereafter) and Vermont Gas Systems, Inc. (“VGS” hereafter).

WHEREAS, VGS is in the process of seeking to expand its natural gas pipeline service system into Addison County, including distribution service in Middlebury, and has consulted with and presented its plans to Middlebury; and

WHEREAS, the Middlebury Selectboard, upon learning of the intended filing by VGS with the Public Service Board 9 (the “Board”) for a Certificate of Public Good authorized a letter of support of the project on December 18, 2012; and

WHEREAS, as stated in the Selectboard’s letter of support and in other public statements and communications, Middlebury is supportive of the project as long as it is constructed and operated in a manner that addresses Middlebury’s interests and concerns, including but not limited to public safety, aesthetics, protection of natural resources, and consideration of the unique rural character of Middlebury and Addison County; and

WHEREAS, VGS filed its Petition with the Board for a Certificate of Public Good in Docket No. 7970 on December 20, 2012 to construct the Addison Natural Gas Project (“Project”) and to extend VGS’ natural gas transmission pipeline through Chittenden County and Addison County to a gate station in the northern part of Middlebury; and

WHEREAS, Middlebury, as a member town in the Addison County Regional Planning Commission (“ACRPC”) endorsed the signing of a Memorandum of Agreement between

ACRPC and VGS to incorporate certain conditions into any final order issuing a Certificate of Public Good; and

WHEREAS, Middlebury wishes to ensure that additional conditions are included in any Certificate of Public Good to address the specific interests and concerns of Middlebury; and

WHEREAS, VGS recognizes Middlebury's interests and concerns and has worked and will continue to work cooperatively with Middlebury to take these interests and concerns into account;

NOW THEREFORE, Middlebury and VGS request that the Board incorporate the following conditions into any order issuing a Certificate of Public Good, as follows:

A. Project facilities in Middlebury.

1. VGS will construct the transmission line, gate station, and distribution pipeline in accordance with the proposed plans currently on file with the Board (see Petitioner Supplement JH-5 (2/2w8/13) DWG.-ANGP-D2-C-001 through DWG.ANGP-D2-C-007). The facilities will include approximately 2,070 linear feet of 12-inch pipeline from the New Haven-Middlebury Town boundary line to the Middlebury Gate Station, the Middlebury Gate Station, and approximately 7,100 linear feet of 6-inch distribution pipeline between the Gate Station and a certain point on Exchange Street depicted on the plans as 6" HDPE Ball Valve and Locator Box at End of Proposed 6" HDPE Natural Gas Distribution Main.
2. VGS will expand its system to provide distribution service to those areas of Middlebury shown on the map attached as Exhibit A, within the following timeframes: 2016 for Middlebury Village and 2017 for East Middlebury [Note: service area boundaries to be added to map].

B. Safety and security measures for the Middlebury Gate Station and other components of the Project.

1. VGS shall surround the gate station by a 7-foot locked perimeter fence with a locked gate.
2. Sensitive equipment will be housed in a building that will likewise be locked.
3. VGS will comply with additional safety measures as described in VGS' Operating and Maintenance Procedures. See Attachment A Middlebury: VGS. 1-6.

C. Gate Station landscaping, planting and other measures to be utilized as part of the Project.

1. VGS will install, at a minimum, landscaping and screening as shown on Exhibit Petitioner Supplemental MJB-2.1 (2/28/13) Appendix A, Sheet L-3.

2. In addition, VGS will work with Middlebury to provide additional screening of the Middlebury Gate Station from view of properties and roadway located to the south, southwest, west, northwest and north of the Gate Station, and to otherwise address the aesthetic impact of the Gate Station.
- D. Prior to any portion of the project coming online, VGS will provide Middlebury with “as-built” plans depicting the completed transmission mains, distribution pipeline, service connections, and all other infrastructure associated with the completed portion(s) of the project.
- E. Traffic disruption and mitigation of impacts of construction.
1. VGS will take measures to mitigate traffic impacts, including, if necessary limiting hours of construction to keep traffic impacts temporary and localized.
 2. VGS will accept inclusion of mitigation measures as a condition of its Certificate including a limit on its hours of construction as explained in Mr. Heintz’ testimony.
 3. VGS will restore landscaping to the satisfaction of the landowner to the extent feasible for the transmission mainline and distribution lines. Trees shall not be permitted within the 50-foot corridor. VGS will work with landowners on a case-by-case basis to seek alternate locations for trees removed in the pipeline corridor during construction.
- F. Emergency Training and Management.
1. Prior to bringing the main transmission line into service in Middlebury, VGS agrees to provide one regional training open to any first responder wishing to understand the potential issues associated with natural gas transmission, distribution and gas use.
 2. Prior to the bringing the Middlebury distribution system into service, VGS shall deliver its public awareness campaign that complies with C.F.R. 49, Section 192.616 addressing issues including the one-call evacuation notification system (Dig Safe), the possible hazard associated with the unintended release of natural gas and the steps that should be taken if such a release occurs.
 3. Prior to bringing the main transmission line and distribution 6-inch pipeline into service, and at least annually thereafter, VGS will provide training for the Middlebury Fire Department and any other first responder agencies whose service territory includes the transmission line and/or distribution lines.
 4. VGS agrees that the emergency response baselines contained in its Service Quality and Reliability Plan, as may be modified from time to time by Order of

the Board, shall be the same for Addison County as for Chittenden County and Franklin County.

G. Reserved Rights of Middlebury.

- 1. Middlebury reserves full rights of participation in any separate or additional permit proceedings associated with the project, including but not limited to natural resource permit proceedings, and reserves the right to request such additional conditions or safeguards as it may deem to be in Middlebury’s interest.
- 2. This Memorandum of Agreement applies only to the current proceeding before the Board (i.e., “Phase I”), and Middlebury reserves full rights of participation in any future phases or proceedings of VGS’ natural gas project, including but not limited to the right to request or advocate for different or additional conditions from those set forth above, together with the right to support or oppose any future proposals based on Middlebury’s interests.

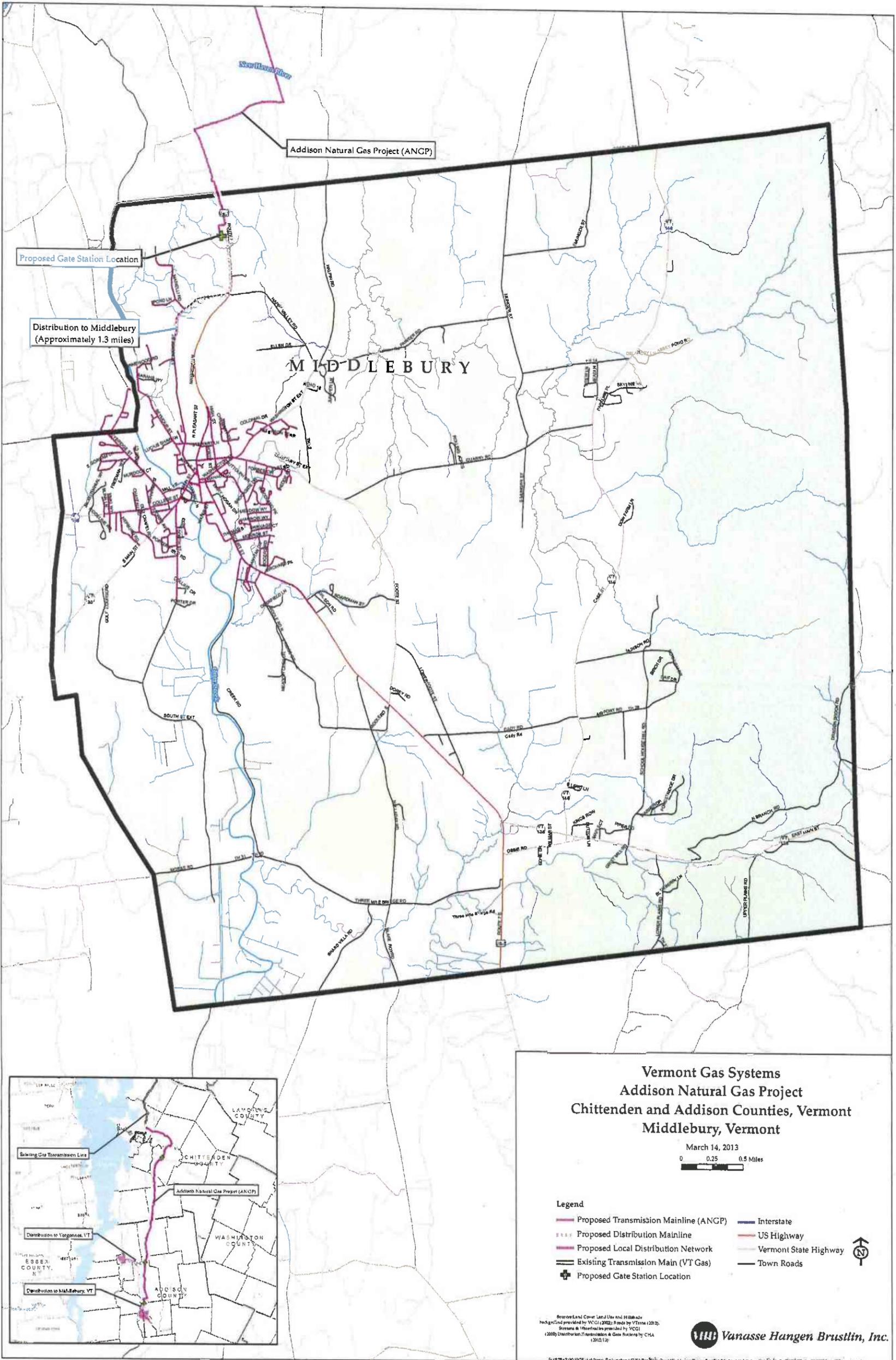
Upon the inclusion of the above noted conditions in a Certificate of Public Good, and granting of all ancillary permits, Middlebury agrees that the construction of the project will promote the general good of the State and should be issued a Certificate of Public Good.

IN WITNESSS WHEREOF, the parties set their hands and seals as of the date set forth above.

Vermont Gas Systems, Inc., by
its Duly Authorized Agent

Town of Middlebury, Vermont, by its
Selectboard Chair

EXHIBIT A



Proposed Gate Station Location

Distribution to Middlebury
(Approximately 1.3 miles)

Addison Natural Gas Project (ANGP)

MIDDLEBURY

