

**MEMORANDUM OF UNDERSTANDING
BETWEEN VERMONT GAS SYSTEMS, INC. AND
CHITTENDEN SOLID WASTE DISTRICT**

This Memorandum of Understanding (“MOU”) is made to be effective as of the 10 day of October, 2013, between Vermont Gas Systems, Inc. (“VGS”) and Chittenden Solid Waste District (“CSWD”) (VGS and CSWD are also referred to as the “Parties,” and each, a “Party”).

PRELIMINARY STATEMENT

WHEREAS, on December 20, 2012, VGS filed with the Vermont Public Service Board (“Board”) in Docket No. 7970 a petition for a certificate of public good (“CPG”), along with supporting testimony and exhibits, for expansion of VGS’s existing natural gas pipeline system into Chittenden County and Addison County, Vermont (the “Project”);

WHEREAS, CSWD has intervened in this docket over general concerns relating to those properties referenced in Exhibit A attached hereto and incorporated herein by reference where portions of the Project will be located (collectively, the “CSWD Properties”, and identified individually in this MOU by reference to the VGS linear line numbers shown in the first column on Exhibit A), said concerns including horizontal alignment / use of public right of way where appropriate; integrity of a berm near a composting facility at LL.26 and LL.28; disruption to CSWD’s traffic flow to and from its composting facility; future ability of CSWD to install utilities over and within the VGS pipeline corridor; adequacy of insurance; allowances for landscaping and visual features; and reconstruction of CSWD improvements affected by the Project;

WHEREAS, the parties have since worked together to address the concerns of CSWD, resulting in revisions to the Project plans over CSWD properties as set forth on Exhibit A, reflecting alignment of the Project as submitted to the Public Service Board on June 28, 2013 (and with certain revisions on the plans reflecting matters of construction techniques and landscaping only) (collectively, the “Revised Project Plans”);

WHEREAS, CSWD acknowledges and agrees, subject to the stipulations contained herein, that it has had an opportunity to review and evaluate the Revised Project Plans, and that the Revised Project Plans, if implemented in accordance with the terms and conditions set forth below and pursuant to easements and access agreements to be negotiated by the parties in good faith, adequately address CSWD’s concerns related to the Project insofar as it relates to CSWD’s Properties identified in the Revised Project Plans; and

WHEREAS, CSWD will not oppose the Board’s issuance of a CPG to VGS on the basis of the design or implementation of the Project in conformity with the Revised Project Plans.

STIPULATIONS

NOW, in consideration of the foregoing and following, and subject to compliance with the terms and conditions of this MOU, the Parties agree as follows:

1. REVISED PROJECT PLANS AND HORIZONTAL ALIGNMENT. CSWD hereby agrees and acknowledges that the proposed location of the VGS pipeline corridor, including the permanent and temporary easements, together with areas for additional temporary work space ("ATWS"), as collectively depicted on the Revised Project Plans summarized and included as Exhibit A, are acceptable in order for VGS to proceed with the Project, subject to (i) final options for easements (as well as an option for a permanent access agreement for Parcel LL.23 subject to the right of potential post-construction relocation if reasonable substitute access is provided by CSWD) being executed by the parties following negotiations as set forth in Section 10(c) of this MOU; (ii) permits being issued by the Town of Williston Department of Public Works for installation of pipeline in portions of the municipal public right of way known as Redmond Road, as shown in the Revised Project Plans; (iii) VGS's placement of Project pipelines at Parcel LL.24 in vertical alignment at a depth that will allow 4 feet of cover from the finished grade shown on the stormwater management ditching plans shown on the plans developed by O'Leary-Burke dated March 12, 2012 (iv) issuance of a CPG by the Board consistent with the the Revised Project Plans.

Nothing in this MOU shall be deemed as CSWD's approval or consent to any modification of the Revised Project Plans concerning LL.26 and LL.28 made after the date this Agreement is executed.

2. LIMITED TEMPORARY USE OF PARCEL LL.24. Based on CSWD's plans for CSWD's landfill parcel (LL.24), the Parties agree and acknowledge that VGS's pipeline corridor shall be situated entirely within Redmond Road along the boundary of Parcel LL.24, and that VGS's interest in Parcel LL.24 shall be limited to a temporary easement ten feet (10') in width for the limited purposes of pipeline construction in Redmond Road, as depicted on the Revised Project Plans included as part of Exhibit A.
3. RESTORATION OF BERM ON PARCELS LL.24 and 26. VGS recognizes and acknowledges that an existing berm situated on Parcels LL.24 and LL.26 is important for CSWD's composting facility and other solid waste management operations. VGS agrees, for itself and its contractors, to take special care to avoid disturbing or undermining the berm during initial construction of the pipeline and any future maintenance or replacement activities, and to expeditiously repair and restore the berm in the event of any disturbance to the berm as a result of said construction activities. VGS agrees to indemnify CSWD for any claims arising from damage to persons or property caused by VGS undermining the berm during the construction period, or caused by VGS construction of the Project on CSWD-impacted property and except to the extent such damage results from the actions or omissions of CSWD or a third party. The easement documents for Parcels LL.24 and LL.26 shall reference this condition.

4. **TRAFFIC CONTROLS.** Prior to construction of its pipeline corridor, VGS shall provide to CSWD a detailed construction schedule with reasonable advance notice to avoid disruptions to CSWD's normal traffic flow in and out of the CSWD Properties. VGS shall promptly respond to requests by CSWD for alterations or modifications in scheduling if VGS' proposed schedule would materially interfere with CSWD's operations. The construction schedule shall account for the fact that, for the duration of the Project's construction, VGS shall provide reasonable access to and from CSWD at all times and at a minimum must at all times allow for at least one (1) access route to and from CSWD's composting facility. CSWD shall provide VGS with the contact information for each of CSWD's haulers potentially affected by the Project, and VGS will contact said haulers in advance of commencement of construction to ensure awareness of the open access routes and to reduce disruption to CSWD operations. VGS further agrees that its construction schedule shall be designed to avoid construction activities between April 2015 and June 2015 (save for instances in which CSWD has agreed in advance to allow limited activities).
5. **RESERVATION OF RIGHTS FOR UTILITIES IN CORRIDOR.** Each of the options for permanent easements to be negotiated by the Parties shall contain a reservation of rights in favor of CSWD to install unspecified utilities across the VGS pipeline corridor, including but not limited to drainage pipes, electrical and telecommunications cabling, and the like, provided that (i) CSWD's utilities maintain a clearance of no less than one (1) foot from the pipeline (or additional clearance if dictated by applicable safety codes); (ii) CSWD's utilities will not unreasonably interfere in any way with the rights of VGS in and to the pipeline corridor; (iii) CSWD must obtain written consent of VGS in advance of any excavation or installation of the utilities to which VGS will not unreasonably withhold consent subject to the agreed upon conditions set forth in this Section 5; and (iv) the costs of said utilities and related improvements shall be borne by CSWD.
6. **LIABILITY INSURANCE.** During the period of construction of the pipeline corridor, VGS shall maintain in force liability coverage in the following amounts: \$3,000,000 for general liability, combined single limit for bodily injury, property damage, personal injury, to include blanket contractual coverage; \$3,000,000 combined single limit – excess of primary limits umbrella liability coverage per occurrence and in the aggregate. VGS shall provide certificates of insurance, which name CSWD as an additional insured on a primary and non-contributory basis, and which shall specify the description of operations being covered or other appropriate language.
7. **DAMAGES ALLOWANCES.** The VGS easements for the CSWD Properties provide reasonable compensation to CSWD for unspecified damages and inconveniences including but not limited to landscaping and visual screening as it deems necessary or desirable.
8. **RECONSTRUCTION / REPAIRS OF SURVEYED IMPROVEMENTS.** The VGS easements for the CSWD Properties shall include a provision for VGS to reconstruct, repair or replace any and all existing features damaged or disrupted as a result of

construction, repair, or replacement of the pipeline corridor, including but not limited to stormwater ponds, outflow weirs, gates, signage, culverts, light poles, paved driveways, and septic systems. In the event that the damaged improvement is a septic system or any other system requiring specific repair or replacement, VGS shall provide to CSWD technical design details and construction plans in advance of any replacement.

9. NOTICES. All notices, requests, and statements shall be in writing and shall be sent to the recipients and addresses set out below, as the same may be modified by the parties from time to time:

CSWD: Thomas E. Moreau, General Manager
Chittenden Solid Waste District
1021 Redmond Road
Williston, Vermont 05495-7729
Phone: 802-872-8100
tmoreau@cswd.net

VGS: Marc Teixeira, Vice President
Vermont Gas Systems, Inc.
PO Box 467
Burlington, Vermont 05402
Phone: 802-951-0387
mteixeira@vermontgas.com

10. MISCELLANEOUS.

- a. CSWD reserves the right to re-visit or supplement this MOU if, during the course of this proceeding, the Revised Project Plans change in any manner that materially affects CSWD as determined in CSWD's reasonable discretion, or if the Town of Williston Department of Public Works denies permits for installation of pipeline on Redmond Road. VGS shall notify the CSWD of any substantial changes to the Revised Project Plan that post-date this MOU.
- b. VGS agrees to provide CSWD "as build" plans within a reasonable period of time following construction in order to show the location of the pipeline and associated appurtenances.
- c. CSWD reserves all rights to continue participation in the Public Service Board proceedings as a intervening party and shall not be prohibited from addressing any concerns of CSWD identified in this MOU if during the course of this proceeding the Revised Project Plans change in any manner to materially affect the CSWD Properties.
- d. The Parties agree that negotiations for individual options for easement shall take place in good faith, with each Party responding to the other with reasonable

expediency, and with the goal of concluding negotiations on or before **October 30, 2013**.

- e. VGS shall comport with those conditions necessary to safely monitor and repair the transmission pipeline as described in the prefiled testimony of John Heintz and any additional requirements set forth by the Vermont Department of Public Service.
- f. This MOU is not intended to, and does not create, any rights, remedies, or benefits of any character whatsoever, including any intended third-party beneficiaries, in favor of any persons, corporations, associations, or entities other than the Parties. The obligations herein assumed are solely for the use and benefit of the Parties, their successors in interest, and, where permitted, their assigns.
- g. The Parties agree that total payment to CSWD for all matters related to the Project, including but not limited to: permanent easements, valve sites, additional temporary work space, permanent and temporary access, and damages will be \$155,000, inclusive of an option payment of \$30,000 payable upon execution of the option documents.
- h. This MOU shall not be construed by any Party or tribunal as a waiver as to jurisdiction or otherwise having precedential impact on any future proceeding involving any of the Parties, except as necessary to implement this MOU or to enforce an order of the Board resulting from this MOU.
- i. The Parties further agree that this MOU applies only to VGS and CSWD, without binding or otherwise obligating any of CSWD's member municipalities, or any individual resident or business or entity in the municipalities served by CSWD, nor any party intervening in this docket.

IN WITNESS WHEREOF the Parties hereto have caused their representatives to execute and deliver this MOU as of the date hereinabove set forth.

Dated at South Burlington, Vermont this 10 day of October, 2013.

Vermont Gas Systems, Inc.

By: 
Eileen Simollardes

Title: Vice President -- Supply & Regulatory
Affairs

Dated at Williston, Vermont this 10th day of October, 2013.

Chittenden Solid Waste District

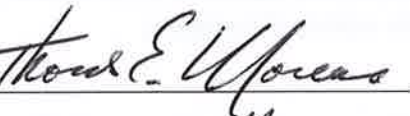
By: 
Title: General Manager

EXHIBIT A
CSWD PROPERTIES AFFECTED BY VGS PROJECT

(Plans attached hereto)

VGS Linear Line No.	CSWD Property Address & Parcel ID	Date of VGS Plans Accepted by CSWD	VGS Property Interest Being Requested
LL.21	1030 Redmond Road (adjacent to NECR Railroad Line) APN: 04:010:070.000	May 22, 2013	Perm Easement: ±1.0 acre Temp Easement: ±0.4 acres ATWS; ±0.2 acres
LL.23	1030 Redmond Road (south of NECR Railroad Line) APN: 04:010:070.000	May 22, 2013	Perm Easement: ±1.5 acres Temp Easement: ± 0.5 acres Perm Access Easement: ±3304 sf
LL.24	1030 Redmond Road (Landfill parcel with berm) APN: 04:010:060.000	May 22, 2013	Perm Easement: +/- 3420 s.f. (+/-0.08 acres) Temp Easement: ±0.3 acres
LL.25	1022 Redmond Road (Storage structures) APN: 04:010:052.000	May 22, 2013	Perm Easement: ±3428 s.f. (+/-0.08 acres)
LL.26	1021 Redmond Road (triangular parcel) APN: 04:010:050.000	May 22, 2013	Perm Easement: ±2340 sf (+/-0.05 acres)
LL.28	860 Redmond Road (Existing Structures incl. residence) APN: 04:010:040.000	May 22, 2013	Perm Easement: ±1598 sf (+/-0.04 acres)
LL.29	Redmond Road (parallel n/s) APN: 04:010:034.000	May 22, 2013	Perm Easement: ±0.2 acres
LL.30	Redmond Road (north of VELCO corridor) APN: 04:010:025.000	June 10, 2013	Perm Easement: ±1.1 acres Temp Easement: ±0.1 acres
LL.31	432 Redmond Road (small parcel near VELCO corridor) APN: 04:010:018.000	June 10, 2013	Perm Easement: ±0.1 acres

[PLANS ATTACHED HERETO]

