

STATE OF VERMONT
PUBLIC SERVICE BOARD

Petition of Vermont Gas Systems, Inc.,)
requesting a Certificate of Public Good pursuant)
to 30 V.S.A. § 248, authorizing the construction)
of the "Addison Natural Gas Project" 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)

Docket No. 7970

RESPONSE OF PETITIONER TO THE VERMONT FUEL DEALERS
ASSOCIATION'S FIRST SET OF INFORMATION REQUESTS ON PETITIONER

This is the response of Vermont Gas Systems, Inc. ("VGS" or "Petitioner") to the First Set of Discovery Requests ("Discovery Requests") of The Vermont Fuel Dealers Association ("VFDA"). Petitioner is filing one complete hard copy of its responses with the Public Service Board ("Board"), with two copies served on the Vermont Fuel Dealers Association and a copy served on each other party of record.

General Objections:

1. Petitioner objects to any instructions contained in the Discovery Requests to the extent such instructions purport to place on Petitioner greater requirements or reserve greater rights to VFDA than are permitted by the Vermont Rules of Civil Procedure as made applicable to Board proceedings through Board Rule 2.214 (A).

2. Petitioner objects to any request for information or production of document(s) that is (or are) subject to the attorney-client privilege, constitute work product, are protected under state or federal law or are proprietary, competitively sensitive or confidential.

3. Petitioner objects to requests to the extent that they (a) are overbroad or unduly burdensome; (b) are cumulative; (c) call for the production of documents not in the possession, custody or control of Petitioner; (d) call for the review, compilation, or production of publicly-available documents that could be obtained by the requesting party in a less burdensome manner; (e) are vague and/or ambiguous; (f) seek information not reasonably calculated to lead to the discovery of admissible evidence; or (g) call for the review, compilation, or production of a voluminous number of documents at great expense to Petitioner.

4. Petitioner does not hereby waive any objections, and it reserves the right to later raise any additional, available objections.

5. Responses and objections indicated herein reflect the position of the individual specified by Petitioner and not the other respondents unless specifically stated otherwise.

REQUESTS OF INFORMATION:
REQUESTS FOR ADMISSION

Q.VFDA:VGS.RFA.1-1: The purpose of the PROJECT is to transmit and distribute natural gas.

A.VFDA:VGS.RFA.1-1: Admit.

Person Responsible for Response: Jean-Marc Teixeira
Title: Vice President of Operations, Vermont Gas Systems, Inc.
Date: May 3, 2013

Q.VFDA:VGS.RFA.1-2: Transmitting and distributing natural gas is likewise the purpose of the RUTLAND EXTENSION, FIRST NEW YORK EXTENSION and SECOND NEW YORK EXTENSION.

A.VFDA:VGS.RFA.1-2: Objection, Petitioner has not designed the above-referenced extensions. Further, VGS disagrees with the definitions of RUTLAND EXTENSION, FIRST NEW YORK EXTENSION, and SECOND NEW YORK EXTENSION.

Person Responsible for Response: Jean-Marc Teixeira
Title: Vice President of Operations, Vermont Gas Systems, Inc.
Date: May 3, 2013

Q.VFDA:VGS.RFA.1-3: The primary component of natural gas is methane.

A.VFDA:VGS.RFA.1-3: Admit.

Person Responsible for Response: Eileen Simollardes
Title: Vice President, Supply and Regulatory Affairs, Vermont Gas Systems, Inc.
Date: May 3, 2013

Q.VFDA:VGS.RFA.1-4: Methane is a greenhouse gas.

A.VFDA:VGS.RFA.1-4: Admit.

Person Responsible for Response: Eileen Simollardes
Title: Vice President, Supply and Regulatory Affairs, Vermont Gas Systems, Inc.
Date: May 3, 2013

Q.VFDA:VGS.RFA.1-5: Greenhouse gases contribute to global warming.

A.VFDA:VGS.RFA.1-5: Objection, VGS is not able to answer this question. Notwithstanding the objection, information generally available frequently connects greenhouse gases to global warming.

Person Responsible for Response: Eileen Simollardes
Title: Vice President, Supply and Regulatory Affairs, Vermont Gas Systems, Inc.
Date: May 3, 2013

Q.VFDA:VGS.RFA.1-6: Global warming is damaging Vermont's environment.

A.VFDA:VGS.RFA.1-6: Objection, VGS is not able to answer this question. Without waiving the objection, denied, VGS has not performed this analysis.

Person Responsible for Response: Eileen Simollardes
Title: Vice President, Supply and Regulatory Affairs, Vermont Gas Systems, Inc.
Date: May 3, 2013

Q.VFDA:VGS.RFA.1-7: Methane released into the atmosphere has, by volume, approximately twenty-five (25) times the global warming potential than does carbon dioxide (CO₂), by volume.

A.VFDA:VGS.RFA.1-7: Denied. Petitioner has not performed this calculation.

Person Responsible for Response: Eileen Simollardes
Title: Vice President, Supply and Regulatory Affairs, Vermont Gas Systems, Inc.
Date: May 3, 2013

Q.VFDA:VGS.RFA.1-8: No less than twenty-five (25%) of the anthropogenic (man-made) sources of methane released into the atmosphere are attributable to the production, transmission and distribution of energy.

A.VFDA:VGS.RFA.1-8: Denied. Petitioner has not performed this calculation.

Person Responsible for Response: Eileen Simollardes
Title: Vice President, Supply and Regulatory Affairs, Vermont Gas Systems, Inc.
Date: May 3, 2013

Q.VFDA:VGS.RFA.1-9: Methane from natural gas is released into the atmosphere primarily through leaks in the production, transmission and distribution facilities for natural gas.

A.VFDA:VGS.RFA.1-9: Denied. Methane is a naturally occurring substance and the extent to which seeps occur around the world has not been quantified by Petitioner.

Person Responsible for Response: Eileen Simollardes
Title: Vice President, Supply and Regulatory Affairs, Vermont Gas Systems, Inc.
Date: May 3, 2013

Q.VFDA:VGS.RFA.1-10: Robert Howarth, a scientist at Cornell University, has calculated that as much as eight percent (8%) of the methane produced in the production, transmission and distribution of natural gas is released into the atmosphere through such leaks.

A.VFDA:VGS.RFA.1-10: Admit that Petitioner is aware of this study but Petitioner does not admit as to the accuracy of the study.

Person Responsible for Response: Eileen Simollardes
Title: Vice President, Supply and Regulatory Affairs, Vermont Gas Systems, Inc.
Date: May 3, 2013

Q.VFDA:VGS.RFA.1-11: Even if only four percent (4%) of the methane contained in natural gas is released into the atmosphere through leaks in the production, transmission and distribution of natural gas, the net effect of the PROJECT, given YOUR estimates of how many users will convert to natural gas, will be to increase the rate of global warming, not decrease it.

A.VFDA:VGS.RFA.1-11: Denied. Petitioner has not performed this analysis.

Person Responsible for Response: Eileen Simollardes
Title: Vice President, Supply and Regulatory Affairs, Vermont Gas Systems, Inc.
Date: May 3, 2013

Q.VFDA:VGS.RFA.1-12: Even if only three percent (3%) of the methane contained in natural gas is released into the atmosphere through leaks in the production, transmission and distribution of natural gas, the net effect of the PROJECT, given YOUR estimates of how many users will convert to natural gas, will be to increase the rate of global warming, not decrease it.

A.VFDA:VGS.RFA.1-12: Denied. Petitioner has not performed this analysis.

Person Responsible for Response: Eileen Simollardes
Title: Vice President, Supply and Regulatory Affairs, Vermont Gas Systems, Inc.
Date: May 3, 2013

Q.VFDA:VGS.RFA.1-13: The transmission and distribution facilities YOU propose in the PROJECT will leak methane into the atmosphere and thereby contribute to global warming.

A.VFDA:VGS.RFA.1-13: Denied. The project is designed not to leak. Petitioner has not performed the analysis regarding global warming.

Person Responsible for Response: Eileen Simollardes, John Heintz
Title: Vice President, Supply and Regulatory Affairs, Vermont Gas Systems, Inc.; Project
Manager
Date: May 3, 2013

REQUESTS OF INFORMATION:
INTERROGATORIES

Q.VFDA:VGS.1-1: To the extent after reasonable inquire you cannot admit, without qualification, each of the preceding requests for admission, then in each instance,

- a. admit as much as YOU can,
- b. specify what YOU deny or cannot answer and why,
- c. state all facts on which YOUR denial or failure to answer is based,
- d. state what knowledge, information or belief YOU have with respect to that which YOU deny or cannot answer,
- e. IDENTIFY each DOCUMENT bearing on YOUR denial or failure to answer (even if outside your possession or control), and
- f. IDENTIFY each PERSON who may have knowledge, information or belief bearing on YOUR denial or failure to answer.

(Do not respond here; instead, insert your response directly into each such request for admission to which your response is applicable.)

A.VFDA:VGS.1-1: As to all, see preceding responses.

Person Responsible for Response: Kimberly K. Hayden, Esq.
Title: Director, Downs Rachlin Martin PLLC
Date: May 3, 2013

Q.VFDA:VGS.1-2: How much of the natural gas that YOU presently transmit and distribute through YOUR system (measured in cubic feet and as a percentage of the total natural gas you transmit and distribute) has been produced through FRACKING in each of the last three (3) years?

A.VFDA:VGS.1-2: Objection, not reasonably calculated to lead to the discovery of relevant evidence.

Person Responsible for Response: Kimberly K. Hayden, Esq.
Title: Director, Downs Rachlin Martin PLLC
Date: May 3, 2013

Q.VFDA:VGS.1-3: In what states or provinces has that FRACKING occurred?

A.VFDA:VGS.1-3: Objection, not reasonably calculated to lead to the discovery of relevant evidence.

Person Responsible for Response: Kimberly K. Hayden, Esq.
Title: Director, Downs Rachlin Martin PLLC
Date: May 3, 2013

Q.VFDA:VGS.1-4: How much of the natural gas that YOU expect to transmit and distribute through YOUR system (measured in cubic feet as a percentage of the total natural gas YOU transmit and distribute, assuming the PROJECT is complete as YOU now envision) will be produced through FRACKING in each of the first ten (10) years that YOU expect the PROJECT to be operational?

A.VFDA:VGS.1-4: Objection, not reasonably calculated to lead to the discovery of relevant evidence.

Person Responsible for Response: Kimberly K. Hayden, Esq.
Title: Director, Downs Rachlin Martin PLLC
Date: May 3, 2013

Q.VFDA:VGS.1-5: In what states or provinces do you anticipate that such FRACKING will occur?

A.VFDA:VGS.1-5: Objection, not reasonably calculated to lead to the discovery of relevant evidence.

Person Responsible for Response: Kimberly K. Hayden, Esq.
Title: Director, Downs Rachlin Martin PLLC
Date: May 3, 2013

Q.VFDA:VGS.1-6: How and to what extent do YOUR economic projections for the PROJECT, including your projections about savings to users, assume completion of

- a. THE RUTLAND EXTENSION,
- b. THE FIRST NEW YORK EXTENSION,
- c. THE SECOND NEW YORK EXTENSION?

A.VFDA:VGS.1-6: Objection, the question is beyond the scope of the intervention granted to VFDA.

Person Responsible for Response: Kimberly K. Hayden, Esq.

Title: Director, Downs Rachlin Martin PLLC

Date: May 3, 2013

Q.VFDA:VGS.1-7: YOU say in YOUR pre-filed testimony (Teixeira): "Since Vermont Gas's long range plan is to extend service to Rutland, the potential loads for serving the Rutland area customers were also modeled to optimize the pipe size for ANGP and to conceptualize future pipeline construction requirements." IDENTIFY and explain all of those "future pipeline construction requirements" and, to the extent they include more than the RUTLAND EXTENSION, THE FIRST NEW YORK EXTENSION and the SECOND NEW YORK EXTENSION, explain how and to what extent YOUR economic projects for the PROJECT, including your projections about savings to users, assume completion of those additional "future pipeline construction requirements."

A.VFDA:VGS.1-7: Objection, the question is beyond the scope of the intervention granted to VFDA.

Person Responsible for Response: Kimberly K. Hayden, Esq.
Title: Director, Downs Rachlin Martin, PLLC
Date: May 3, 2013

Q.VFDA:VGS.1-8: If YOUR system connects to an INTERSTATE PIPELINE SYSTEM (by the SECOND NEW YORK EXTENSION or otherwise), would it be *physically possible* for natural gas that is produced in the United States, through FRACKING, to be transmitted, through your system, to Vermont users?

A.VFDA:VGS.1-8: Objection, not reasonably calculated to lead to the discovery of relevant evidence.

Person Responsible for Response: Kimberly K. Hayden, Esq.
Title: Director, Downs Rachlin Martin PLLC
Date: May 3, 2013

Q.VFDA:VGS.1-9: If YOUR answer to the immediately preceding interrogatory is that it *would* be physically possible for such transmission,

- a. to what extent have YOU discussed that possibility internally or publicly,
- b. what were the nature of those discussions, and
- c. how would (and does) such transmission impact YOUR economic projections concerning the PROJECT, including YOUR projections about the effect of the PROJECT on Vermont rate payers?

A.VFDA:VGS.1-9: N/A

Person Responsible for Response: Kimberly K. Hayden, Esq.
Title: Director, Downs Rachlin Martin, PLLC
Date: May 3, 2013

Q.VFDA:VGS.1-10: If YOUR systems connects to an INTERSTATE PIPELINE SYSTEM (by the second new your extension or otherwise), would it be *physically possible* for natural gas that is produced in the United States (by any means) to be transmitted, through your system, to Canada?

A.VFDA:VGS.1-10: Objection, not reasonably calculated to lead to the discovery of relevant evidence.

Person Responsible for Response: Kimberly K. Hayden, Esq.
Title: Director, Downs Rachlin Martin PLLC
Date: May 3, 2013

Q.VFDA:VGS.1-11: If YOUR answer to the immediately preceding interrogatory is that it *would* be physically possible for such transmission,

- a. to what extent have YOU discussed that possibility internally or publicly,
- b. what were the nature of those discussions, and
- c. how would (and does) such transmission impact YOUR economic projections concerning the PROJECT, including YOUR projections about the effect of the PROJECT on Vermont rate payers?

A.VFDA:VGS.1-11: N/A

Person Responsible for Response: Kimberly K. Hayden, Esq.
Title: Director, Downs Rachlin Martin PLLC
Date: May 3, 2013

Q.VFDA:VGS.1-12: If the FIRST NEW YORK EXTENSION is completed, what percentage of the natural gas passing through the project lines will be used by the International Paper Plant in New York?

A.VFDA:VGS.1-12: Objection, the question is beyond the scope of the intervention granted to VFDA.

Person Responsible for Response: Kimberly K. Hayden, Esq.
Title: Director, Downs Rachlin Martin PLLC
Date: May 3, 2013

Q.VFDA:VGS.1-13: If the FIRST NEW YORK EXTENSION is completed and the International Paper Plant closes, what impact would its closure have on your current and future ratepayers?

A.VFDA:VGS.1-13: Objection, the question is beyond the scope of the intervention granted to VFDA.

Person Responsible for Response: Kimberly K. Hayden, Esq.
Title: Director, Downs Rachlin Martin PLLC
Date: May 3, 2013

Q.VFDA:VGS.1-14 To justify YOUR assertion that the Project will “lower Addison County residents energy bills by \$200 million over the next 20 years,” what assumptions do you make about the price of

- a. natural gas,
- b. propane,
- c. oil,
- d. cord wood,
- e. wood pellets
- f. coal, and, in each of those six cases, what is YOUR basis for each assumption you make?

A.VFDA:VGS.1-14: Objection, the question is beyond the scope of the intervention granted to VFDA.

Person Responsible for Response: Kimberly K. Hayden, Esq.
Title: Director, Downs Rachlin Martin PLLC
Date: May 3, 2013

Q.VFDA:VGS.1-15: If YOUR assumptions about the price of propane, oil, cord wood and wood pellets were accurate, but YOUR assumptions about the price of natural gas were not, high would the price of natural gas have to be (all of YOUR other assumptions being constant) for this statement to be true: "The project will have no impact, up or down, on the energy bills of Addison County residents over the next 20 years"?

A.VFDA:VGS.1-15: Objection, the question is beyond the scope of the intervention granted to VFDA.

Person Responsible for Response: Kimberly K. Hayden, Esq.
Title: Director, Downs Rachlin Martin PLLC
Date: May 3, 2013

Q.VFDA:VGS.1-16: To justify YOUR assertion that the PROJECT will “reduce greenhouse gas emissions by 300,000 tons over the next 20 years,” what assumptions do you make about the environmental impacts of

- a. natural gas
- b. propane
- c. oil
- d. cord wood
- e. wood pellets
- f. oil, and in each of those six cases, what basis do YOU have for each such assumption?

A.VFDA:VGS.1-16:

- a. Per billion btus, the consumption of natural gas is assumed to produce 117,647 pounds of carbon dioxide, 0.6 pounds sulfur dioxide, and 92.2 pounds nitrous oxide.
- b. Per billion btus, the consumption of propane is assumed to produce 136,612 pounds of carbon dioxide, 1.1 pounds sulfur dioxide, and 153 pounds nitrous oxide.
- c. Per billion btus, the consumption of oil is assumed to produce 159,285 pounds of carbon dioxide, 507.1 pounds sulfur dioxide, and 128.6 pounds nitrous oxide.
- d. No assumptions were made about cord wood and no greenhouse gas emission savings were attributed to converting from cord wood.
- e. No assumptions were made about wood pellets and no greenhouse gas emission savings were attributed to converting from cord wood.
- f. See c. The basis for these assumptions came from the Environmental Protection Agency and U.S. Energy Information Administration.

Person Responsible for Response: Eileen Simollardes
Title: Vice President, Supply and Regulatory Affairs, Vermont Gas Systems, Inc.
Date: May 3, 2013

Q.VFDA:VGS.1-17: Regarding YOUR projections about the environmental impacts of *natural gas* over the next 20 years, what are YOUR assumptions about the *rate* of carbon dioxide (CO₂) discharge by users of natural gas, and what basis do YOU have for each such assumption?

A.VFDA:VGS.1-17: See A.VFDA:VGS.1-16a.

Person Responsible for Response: Eileen Simollardes
Title: Vice President, Supply and Regulatory Affairs, Vermont Gas Systems, Inc.
Date: May 3, 2013

Q.VFDA:VGS.1-18: Regarding YOUR projections about the environmental impacts of *natural gas* over the next 20 years, what are YOUR assumptions about the *rate* of methane loss that will be seen through the

- a. production,
- b. transmission
- c. distribution of natural gas (itemizing each), and in each of those three cases, what basis do YOU have for each such assumption?

A.VFDA:VGS.1-18: Petitioner has not performed this analysis.

Person Responsible for Response: Eileen Simollardes
Title: Vice President, Supply and Regulatory Affairs, Vermont Gas Systems, Inc.
Date: May 3, 2013

Q.VFDA:VGS.1-19: IDENTIFY YOUR "interruptible customers."

A.VFDA:VGS.1-19: Objection, not reasonably calculated to lead to the discovery of relevant evidence. Further objection as beyond the scope of the VFDA intervention.

Person Responsible for Response: Kimberly K. Hayden, Esq.
Title: Director, Downs Rachlin Martin PLLC
Date: May 3, 2013

Q.VFDA:VGS.1-20: What fuels will those "interruptible customers" use if your supply is "interrupted"?

A.VFDA:VGS.1-20: Objection, not reasonably calculated to lead to the discovery of relevant evidence. Further objection as beyond the scope of the VFDA intervention.

Person Responsible for Response: Kimberly K. Hayden, Esq.
Title: Director, Downs Rachlin Martin PLLC
Date: May 3, 2013

Q.VFDA:VGS.1-21: What assumptions do YOU make (and, for each assumption, on what basis) regarding the availability of such fuels to those "interruptible customers," and regarding the cost to those customers of maintaining a supply of such fuels, after connection to YOUR system?

A.VFDA:VGS.1-21: Objection, not reasonably calculated to lead to the discovery of relevant evidence. Further objection as beyond the scope of the VFDA intervention.

Person Responsible for Response: Kimberly K. Hayden, Esq.
Title: Director, Downs Rachlin Martin PLLC
Date: May 3, 2013

REQUESTS OF INFORMATION:
DOCUMENT PRODUCTION

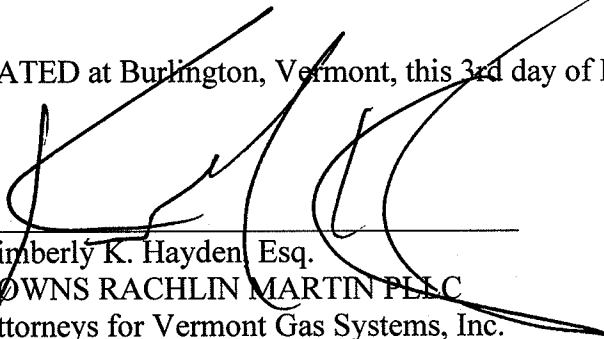
Q.VFDA:VGS.RTP.1-1: Produce under Rule 34 of the Vermont Rules of Civil Procedure copies of (or produce for inspection and copying by Cheney, Saudek & Grayck PC, at 9:00 am on Monday, May 3, 2013, at their law offices, located at 159 State Street in Montpelier, Vermont): 1.) every DOCUMENT that YOU disclose in YOUR responses to these requests for information, or to which you may refer or rely on, directly or indirectly, in preparing your responses, except you need not produce i.) DOCUMENTS that YOU have already submitted in YOUR filings to date (simply refer to those DOCUMENTS in YOUR responses by specific reference to the filing in which they appear), and ii.) DOCUMENTS YOU refuse to produce on the basis of a legally-recognized privilege or doctrine; and 2 any electronic versions you may possess of the same, including drafts. For each DOCUMENT as to which YOU assert a privilege, state fully the grounds for YOUR assertion of such privilege.

A.VFDA:VGS.RTP.1-1: Objection to the extent the question calls for attorney-client or attorney work product information. Without waiving the objection, see documents produced in connection with Petitioner's responses to other interrogatories served on Petitioner in this proceeding.

Person Responsible for Response: Kimberly K. Hayden, Esq.
Title: Director, Downs Rachlin Martin PLLC
Date: May 3, 2013

As to objections:

DATED at Burlington, Vermont, this 3rd day of May, 2013.



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