



Safety Management System

Safe. Reliable. Continuously Improving.

FOCUS ON SAFETY

VGS' primary focus is safety for our customers, our employees and the general public.

- Our safety culture is embedded from the top down. All employees have the right and responsibility to Stop Work if they see an unsafe condition.
- VGS has robust safety programs which include Emergency Response planning and training, Public Awareness educational campaigns, and DigSafe® sponsored events.
- VGS has on-call personnel available 24/7 to respond to gas emergencies.

SAFE OPERATIONS

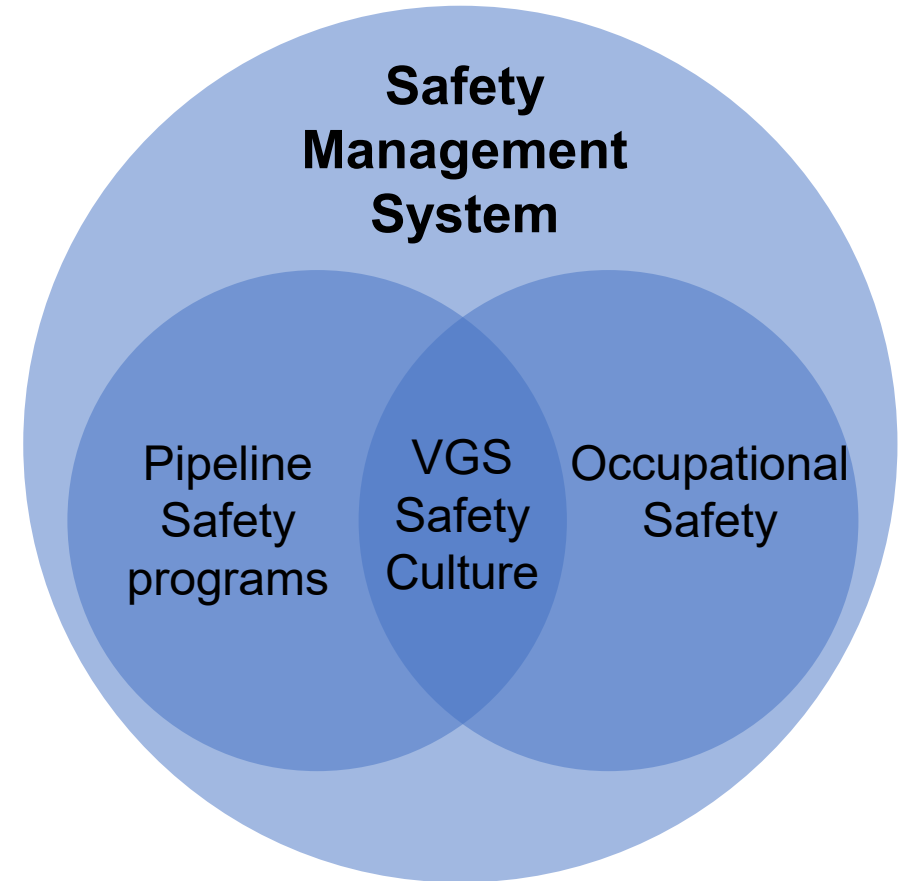
VGS operates modern transmission and distribution pipelines from the Canadian border in Highgate to Middlebury.

- Our transmission pipelines are coated steel with cathodic protection and monitored 24/7 by VGS' Gas Control in South Burlington.
- VGS has been proactive in upgrading its distribution infrastructure. All cast iron and bare steel distribution pipe was removed and replaced with high density polyethylene or coated & cathodically protected steel pipe.
- Personnel that install, operate and maintain VGS' gas facilities are highly trained and qualified.
- VGS routinely performs many inspections and surveys to ensure the safety of our infrastructure.

SAFETY MANAGEMENT SYSTEM

A Safety Management System encompasses all components of safety:

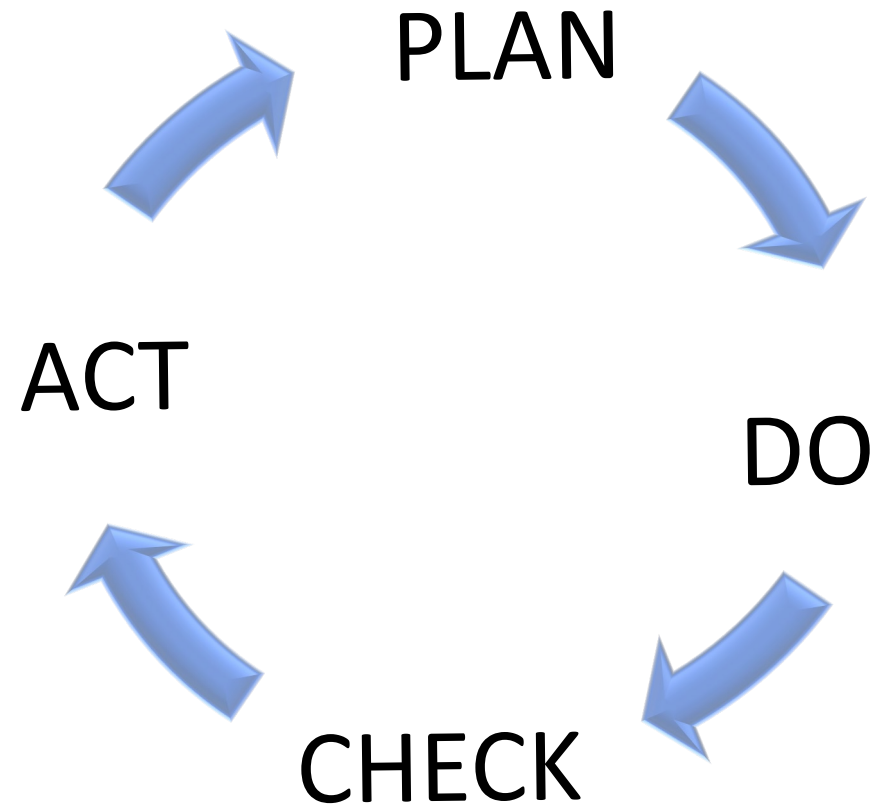
- Safety culture embedded throughout VGS, from senior leadership to field employees
- Occupational Health & Safety Programs & Practices
- Emergency Preparedness & Response
- Damage Prevention
- Public Awareness
- Pipeline safety programs including Integrity Management
- Operator Qualification program for training & qualification for personnel operating and maintaining our pipeline system.



PIPELINE SAFETY MANAGEMENT SYSTEM (PSMS)

Management systems are based on a continuous improvement framework. A PSMS has pipeline safety as its focus.

However, VGS is more than a pipeline company and PSMS benefits the entire organization.



PIPELINE SAFETY MANAGEMENT SYSTEM (PSMS)



What is PSMS?

- PSMS is a system for managing risks and improving safety through a continuous improvement cycle.
- The system is focused on pipeline safety performance and progress is tracked against our own performance.
- VGS' PSMS follows the recommended practice written by the American Petroleum Institute (API RP 1173).

TEN ELEMENTS OF PSMS

The API PSMS standard has 10 essential elements:

- ✓ Leadership and Management Commitment
- ✓ Stakeholder Engagement
- ✓ Risk Management
- ✓ Operational Controls
- ✓ Incident Investigation, Evaluation, Lessons Learned
- ✓ Safety Assurance
- ✓ Management Review and Continuous Improvement
- ✓ Emergency Preparedness and Response
- ✓ Competency, Awareness and Training
- ✓ Documentation and Recordkeeping

BENEFITS FOR IMPLEMENTING PSMS

PSMS is a holistic safety framework that brings existing programs together.

- ✓ This enables a more comprehensive understanding of risk management and mitigation.

Engineering Design & Construction

Operator Qualification & Training

Quality and Compliance Management Programs

Integrity Management Programs for Transmission & Distribution Pipelines

Public Awareness Program

Emergency Response Preparedness & Training

BENEFITS FOR IMPLEMENTING PSMS

Plan: develop goals to address risks

Do:

- Operational Controls
- Competence, Training, Awareness
- Emergency Preparedness & Response
- Documentation & Records Mgmt.
- Stakeholder Engagement

Check:

- Safety Assurance
- Incident Investigation, including Near Misses, Evaluation & Lessons Learned

Act:

- Management Review
- Continuous Improvement

