



366 Pinnacle Ridge Road
Rutland, Vermont 05701
802.773.9161 ■ velco.com

April 25, 2017

John St. Hilaire

Vice President of Operations

Vermont Gas Systems, Inc.

85 Swift Street

South Burlington, VT 05403

Dear John:

The purpose of this letter is to respond to the Addison Natural Gas Pipeline (ANGP) Project information that Vermont Gas Systems (VGS) provided to VELCO regarding the construction issues that were experienced in not obtaining the planned 4' (foot) burial depth to meet the loading of HS20+15% for the natural gas pipeline in the Clay Plains swamp area in the town of New Haven, VT. It is our understanding that the installed gas pipeline varies in burial depth between 3.0' and slightly less than 4.0' in approximately 18 locations in this swamp area along VELCO's K43 transmission line, primarily between structures 261 and 267.

Based upon the detailed field information and engineering analyses that have been provided to VELCO, along with our discussions and correspondence over the past few months; VELCO understands that the loading of HS20+15% can be met at a less-than 4' burial depth with the thicker-walled pipe. Additionally, VELCO agrees with VGS to the installation of the pipe in these limited areas with less than 4' coverage based upon the following:

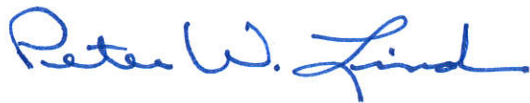
- VGS confirmed in writing to VELCO, with a May 25, 2016 Mott McDonald (Mott) engineering analysis, that the HS20 +15% loading requirement for the pipe, referenced in the joint VELCO/VGS Operations & Maintenance Agreement dated July 24, 2015, will be obtained and maintained at all locations with the less-than 4' installed burial depth.
 - We also understand that Mott's engineering review will be provided to the Vermont Department of Public Service (DPS) for additional review.

- VGS has identified and documented for their as-built drawings, the limited areas where the pipe is not going to be installed at the 4' depth and they have installed additional yellow location markers in the VELCO K43 transmission line corridor.

- VGS will inspect these pipeline locations, on an annual basis for two years, to ensure that settling of the backfilled-material has not occurred, which may reduce the buried depth of the pipeline. VELCO understands that the addition of replacement material may be performed as part of VGS' routine maintenance program.

This VELCO letter will serve to memorialize our joint agreement of how the agreed-upon HS rating will be achieved and maintained in these areas for which the anticipated burial depth was not realized.

Sincerely,



Peter W. Lind

Senior Project Manager

PWL/

04/25/2017