

**STATE OF VERMONT  
PUBLIC UTILITY COMMISSION**

Case No. 25-\_\_\_\_\_

Vermont Gas Systems, Inc.’s Petition to Amend Existing Docket No. 7970 Certificate of Public Good	
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**VERMONT GAS SYSTEMS, INC.’S PETITION TO AMEND THE  
DOCKET 7970 CERTIFICATE OF PUBLIC GOOD**

By this Petition, Vermont Gas Systems, Inc. (“VGS” or “Petitioner”) requests that the Vermont Public Utility Commission (“Commission”), pursuant to 30 V.S.A. § 248 and Commission Rule 5.400, approve five amendments to the Certificate of Public Good (“CPG”) issued in Docket No. 7970 authorizing the construction and operation of the Addison Natural Gas Project (“ANGP,” “Project,” or “the pipeline”). In support of this Petition, VGS submits the Direct Prefiled Testimony of Adam Gero, who sponsors more than one hundred exhibits from the evidentiary record developed during the course of a lengthy investigative proceeding in Case Nos. 17-3550-INV and 18-0395-PET, and states the following:

**I. BACKGROUND**

1. On April 6, 2023, the Commission issued a Final Order in Case Nos. 17-3550-INV and 18-0395-PET (the “Investigation”), concluding an approximately six-year investigation into the construction of the Project, which was completed in 2016 and has been providing natural gas service as part of VGS’s transmission and distribution system since 2017.

2. The Commission’s Final Order in the Investigation (1) concluded that VGS’s construction of the Project involved five “substantial changes” as defined by Commission Rule 5.400, (2) imposed a civil penalty on VGS, and (3) directed VGS to propose amendments to the

existing Docket No. 7970 CPG to address the substantial changes as part of a compliance procedure in the Investigation, explaining:

This investigation has been ongoing for almost six years, and there is an extensive and detailed record before us that describes: (1) the unapproved changes Vermont Gas made to the Project during construction; (2) the potential for significant impacts from those changes under the relevant criteria of Section 248; (3) the absence of any actual harm from those changes under those same criteria; and (4) the remedial actions that Vermont Gas must take to ensure that operation of the as-built pipeline will not, in the future, result in any undue impacts under the relevant Section 248 criteria and will remain in the public good.”<sup>1</sup>

3. The Commission’s Final Order also explained that the evidence in the Investigation “addressed not only the potential impacts of Vermont Gas’s decision to make changes to the pipeline during construction, but also the lack of actual impacts and the recommended steps to ensure the pipeline continues to operate safely and without undue impacts under the substantive criteria of Section 248.”<sup>2</sup>

4. In the Final Order, and based on the evidentiary record, the Commission made Supplemental Findings, which specifically addressed the fact that none of the changes will have an undue adverse impact under the relevant criteria.<sup>3</sup>

5. Following an appeal of the Commission’s procedural decision to amend the CPG as part of a compliance process in the Investigation in which the Court held that the Commission must consider CPG amendments in a separate proceeding,<sup>4</sup> the Commission issued a Post-Appeal Order Outlining Next Steps on June 25, 2024, instructing VGS to issue a 45-day advance notice in accordance with the requirements under current Commission Rule 5.400, followed by

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<sup>1</sup> Exhibit VGS-AG-002 (Final Order) at 4.

<sup>2</sup> *Id.* at 17.

<sup>3</sup> *Id.* at 17-20.

<sup>4</sup> *In re Vermont Gas Systems, Inc.*, 2024 VT 19, ¶ 56, 316 A.3d 231, 248, *reargument denied* (May 3, 2024) (hereinafter “Final Opinion”).

the filing of a petition in ePUC “requesting amendments to the CPG granted in Case No. 7970 to reflect the unapproved substantial changes made to the pipeline by Vermont Gas.”<sup>5</sup>

6. The Commission further directed VGS to “include specific proposed conditions that address each of the five substantial-change violations identified in [the Commission’s Final Order, dated April 6, 2023 (“Final Order”)] in Case Nos. 17-3550-INV and 18-0395-PET,”<sup>6</sup> account for the remedial actions recommended by the expert witnesses in those proceedings,” and explain “why those actions will prevent any future instances of undue impacts under the criteria identified as relevant to potential significant impacts in the proposal for decision based on evidence presented and the findings and conclusions in Case Nos. 17-3550-INV and 18-0395-PET.”<sup>7</sup>

7. VGS issued the 45-day advance notice on September 12, 2024, and filed a Petition to Amend the Docket No. 7970 CPG with the Commission on October 28, 2024, which included a detailed petition and more than one hundred exhibits from the evidentiary record in the Investigation. The petition was assigned Case No. 24-3277-PET.

8. On November 27, 2024, the Commission issued an Order Dismissing Petition, explaining that VGS’s October 28, 2024 Petition did not include some of the information required by Commission Rules 5.403 and 5.404, “including testimony explaining how the amendments will comply with the statutory criteria, a site plan, and an index linking the evidence to the relevant statutory provisions.”<sup>8</sup>

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<sup>5</sup> Exhibit VGS-AG-001 (Post-Appeal Order Outlining Next Steps) at 4.

<sup>6</sup> *Id.*

<sup>7</sup> *Id.*

<sup>8</sup> Order Dismissing Petition, Case No. 24-3277-PET (issued Nov. 27, 2024) at 2.

9. The Commission further explained that it is not requiring VGS to submit a petition as if the Project is being proposed as a new facility, and that the petition should be limited to information relevant to the substantial changes that require Commission approval, including testimony about how the proposed amendments will satisfy each of the Section 248(b) criteria and site plans for the portions of the Project that are subject to the substantial changes found in the Investigation.

## **II. EVIDENCE IN SUPPORT OF PETITION**

10. By this filing, VGS petitions the Commission to amend the existing CPG. In accordance with the above-referenced Commission orders, this Petition is supported by the Direct Prefiled Testimony of Adam Gero and more than one hundred sponsored evidentiary exhibits from the Investigation.

11. Mr. Gero's testimony discusses each of the five substantial changes at length, including relevant factual detail relating to each change, site plans and relevant locations relating to each change, construction issues relevant to the Commission's determination that the changes constituted "substantial changes," and Section 248 criteria relevant to each change. Gero pf. at 10-34.

12. Mr. Gero also addresses each of the Section 248 criteria and, where relevant, discusses in detail why each change had no undue adverse impact or, in some cases, any impact under those criteria, including detailed discussion of evidence and expert opinions presented in the Investigation. Gero pf. at 35-69.

13. Finally, Mr. Gero discusses each of VGS's proposed CPG amendments in detail, including the relevant factual conclusions that support the determination that each change had no actual impact under the relevant Section 248 criteria. Mr. Gero also explains how the proposed CPG amendments account for the remedial recommendation of experts from the Investigation

and discusses why those measures will ensure there are no future undue adverse impacts and the Project remains in the public good. Gero pf. at 69-90.

14. Mr. Gero sponsors a large list of more than 100 evidentiary exhibits that reflect key components of the extensive record developed in the six-year Investigation. These exhibits include the Commission’s Final Order; the Proposal for Decision; the Liability Order; the Byrd Report and all attachments supporting Mr. Byrd’s findings and conclusions; evidence presented by VGS, Vermont Electric Power Company, Inc. (“VELCO”), and various pipeline experts; and all other evidentiary documents cited in support of the Commission’s and Hearing Officer’s findings. A full list of the more than 100 exhibits is provided as Appendix A to Mr. Gero’s testimony.

### **III. PROPOSED CPG AMENDMENTS**

15. Wherefore, VGS Petitions the Commission to Amend the Docket No. 7970 CPG in accordance with the Direct Prefiled Testimony of Adam Gero and supporting exhibits as follows:

#### **1. CPG Amendment #1: Trenching Techniques In The Clay Plains Swamp**

*VGS is authorized to install the pipeline as constructed in the Clay Plains Swamp using what is known as the “sink-in-swamp” burial method, provided that it complies with all of the conditions herein.*

#### **2. CPG Amendment #2: Depth of Cover In The Clay Plains Swamp**

*VGS is authorized to install the pipeline as constructed in the Clay Plains Swamp with less than four feet of cover in certain locations, provided that it complies with the following conditions:*

- *VGS (or VELCO) shall install large warning signs at each end of the ROW in the Clay Plains Swamp with the following (or similar) text “WARNING. SHALLOW*

*HIGH PRESSURE GAS PIPELINE IN THIS AREA. NOTIFY VGS AT (phone number) BEFORE MOVING HEAVY EQUIPMENT INTO THIS AREA.”*

- *VGS shall install additional yellow location markers in the Clay Plains Swamp as recommended by VELCO. See Byrd Report, Attachment 56.*
- *VGS shall inspect the pipeline in the Clay Plains Swamp on an annual basis for two years (from when the Byrd Report was issued in January 2020) to ensure that settlement of the back-filled material has not occurred, which may reduce the buried depth of the pipeline. See Byrd Report, Attachment 56.*

### **3. CPG Amendment #3: Trench Bottom & Trench Breakers**

*VGS is authorized to install the pipeline as constructed with respect to burial on the trench bottom and installation of trench breakers, provided that it complies with the following conditions:*

- *Vermont Gas shall reduce the maximum time between ILI runs for both metal loss and geometry to once every five years, with a maximum interval of 63 months.*
- *Within six months of the ILI, Vermont Gas also shall conduct a CIS of the effectiveness of the cathodic protection. Vermont Gas shall integrate the results with the ILI results. All areas of poor cathodic protection should be remedied and mitigated promptly. For purposes of this plan, “Poor cathodic protection” shall mean any area with a reading that does not meet the minus 0.85 VDC standard for both ‘on’ and ‘off’. Furthermore, if metal loss of greater than 20% is noted, the mitigation of the affected pipe shall take place within 12 months of discovery. The Department and Vermont Gas agree that a 12-month time period for remediating these areas is appropriate and necessary for planning and construction in light of seasonal weather issues that may bear on when mitigation work can occur provided that the pipeline’s safety factor remains above 10% of the class location (Class 3 or 50% SMYS) factor during the entire period when taking corrosion rates into account. Corrosion rates will be used as defined in NACE SP0502 (16 mils per year as the default rate) unless the actual rate is known for the exact location or can be calculated per the standard.*
- *Within six months of the ILI described above, Vermont Gas also shall conduct a coating survey using either DCVG or ACVG.<sup>9</sup> Vermont Gas will integrate the results of the coating survey with other surveys set forth above. All moderate and severe coating anomalies identified by the integrated data, as those terms are defined in VGS’s Transmission IMP Plan (Section 7A), shall be excavated and remediated within 12 months. Furthermore, during the inspection of coating damage, measurements*

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<sup>9</sup> Direct or Alternating Current Voltage Gradient.

*shall be taken to determine if metal loss is present. If over 40% of wall loss is found, the pipe shall be repaired to its original strength.*

- *Within 90 days of the completion of the ILI, Vermont Gas shall have a final report on the ILI findings. The Department and VGS agree that this period provides adequate time for Vermont Gas to require its ILI contractor to provide its findings for review, and for Vermont Gas to complete the final report of the ILI survey.*
- *Within 120 days of the completion of the ILI runs, Vermont Gas shall complete a report integrating and analyzing the ILI results (both geometry and metal loss); the cathodic protection CIS survey results; and the coating survey results. The integrated report shall note all metal loss of 10% or greater; all areas where the cathodic protection does not meet the minus 0.85 VDC standard for either on or off potentials; and all moderate or severe coating anomalies, as those terms are defined in Vermont Gas's Transmission IMP Plan (Section 7A). The Department and Vermont Gas agree that this period provides adequate and appropriate time for the company to integrate the results of all of these inspections, particularly given the amount of data that will be generated over time after the initial round of testing.*
- *Vermont Gas shall provide all of the above final reports to the Department promptly upon completion but no later than 10 business days, and shall make available all raw data, surveys and analyses received or produced regarding these required inspections. Vermont Gas will also document its steps taken to remedy any findings from these inspections that require action as noted.*

#### **4. CPG Amendment #4: Compaction**

*VGS is authorized to install the pipeline as constructed with regard to compaction requirements, provided that it complies with the following conditions:*

- *VGS shall hire a Vermont-licensed professional civil engineer with expertise in dirt road construction and maintenance to inspect each of the 15 open cut road crossings for evidence of frost heave, settlement, and potholing, at times of the engineer's choosing but at least twice (once during cold weather to look for frost heave and once during warm weather to look for settlement and potholing), and have them develop and certify a remediation plan for any deficiencies that are discovered. VGS should inform the engineer in writing prior to the inspections of any complaints received concerning these crossing locations. VGS should report to the Department and any relevant local agency, municipality, or authority for each crossing within 18 months of Mr. Byrd's report (which issued January 2020) concerning the results of these inspections and any remedial actions taken or planned. VGS should provide periodic updates to these parties until all deficiencies (if any) have been corrected.*
- *VGS shall conduct a similar independent review of open cut road crossings after each winter season to determine if there is any frost heave at locations where the pipeline is buried beneath roadways and repair any damage.*

## **5. CPG Amendment #5: Design & Engineering**

*VGS is authorized to install the pipeline as constructed with respect to compliance with professional engineering requirements, provided that it complies with the following condition:*

- *Vermont Gas shall continue to ensure that any and all future pipeline or related construction projects are overseen by a Vermont-licensed engineer, the duties of which will include the approval and signing of construction drawings and specifications, and any and all changes made to those drawings and specifications.*

## **6. Additional Remedial Actions**

- *The zinc ribbon/SSD system should be routinely inspected and quickly repaired as necessary to ensure that AC interference currents do not cause corrosion of the pipeline. VGS should conduct and document detailed inspections of all SSDs twice a year (not to exceed 7.5 months between inspections) and correct any problems within 2 months of discovery.*
- *VGS should conduct over-the-line (OTL) surveys every 3 ½ years (not to exceed 48 months between inspections), with the specific types of OTL survey to be determined by a competent corrosion consultant independent of VGS. All indications should be investigated and corrected as necessary within six months of discovery. The surveys should be able to detect AC interference/stray current issues.*
- *VGS should perform a DOC survey in all actively cultivated agricultural areas every 3 years, and address any DOC less than 4' (or landowner agreements – whichever is greater) to ensure agricultural activities will not impact the pipeline. This does not mean that DOC must be maintained at the original installation depth, but that any loss of cover must be managed in cooperation with the landowner/farmer to ensure agricultural activities do not interfere with pipeline safety.*
- *VGS should ensure its line locating procedures, training, and qualification programs address the potential for zinc ribbon interference with line locating equipment. The procedures should require disconnection of the zinc ribbon prior to using an indirect line locator, probing the pipeline location, or hand digging/potholing to ensure the line is located accurately prior to any excavation near a pipe protected by zinc ribbon. These procedures, training programs, and qualification programs should be submitted for Department review within six months of [the Byrd] report.*
- *VGS should modify its pipeline integrity management plan to specifically mention the locations of the 67 Canusa sleeve repairs from the problematic batches. These locations should be called out as a potential integrity concern during all subsequent integrity assessments and evaluations (such as close-interval surveys and in-line*



*inspections). This does not mean that every assessment must be designed specifically to look for external corrosion threats at coating repairs. Rather, that the Canusa sleeve locations be considered when evaluating the results of every assessment (even assessments not designed to look for that threat), because of the potential for interacting threats.*

#### **IV. CONCLUSION**

Wherefore, VGS respectfully requests the Commission:

- (1) Hold a scheduling conference, establish a schedule for this case, and issue an Order approving the Proposed CPG Amendments.
- (2) Find that the substantial changes identified in the Investigation had no adverse impact under the Section 248 criteria, that the approval of the proposed CPG amendments and conditions will promote the general good of the state, and issue an Amended CPG to that effect, and
- (3) Issue any further relief as the Commission deems just and proper.

DATED at Burlington, Vermont, on this 10<sup>th</sup> day of January, 2025.

#### **VERMONT GAS SYSTEMS, INC.**

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