

STATE OF VERMONT
PUBLIC SERVICE BOARD

Docket No. 8180

Petition of Vermont Gas Systems, Inc.)
requesting a certificate of public good, pursuant)
to 30 V.S.A. § 248, authorizing the construction)
of Phase II of the "Addison Natural Gas Project")
to add a transmission looping facility along the)
pipeline in Franklin County and to extend)
natural gas transmission facilities through)
Addison County to the International Paper Mill)
at Ticonderoga, New York, and construction of)
two gate stations for distribution service in the)
towns of Cornwall and Shoreham, Vermont)

Order entered: 9/19/2014

SIXTH SCHEDULING ORDER

I. INTRODUCTION

In this Order, the Vermont Public Service Board ("Board") modifies the present schedule for this proceeding in response to two events: (1) our pending consideration of whether to reopen the final decision in Docket 7970 approving Phase I of the Addison Natural Gas Project; and (2) the lack of a determination from the Federal Energy Regulatory Commission ("FERC") on the petition of Vermont Gas Systems, Inc. ("VGS" or the "Company") under Section 7(f) of the Natural Gas Act for a service area determination (the "7(f) Determination"). In light of these considerations, the Board has decided to revise the procedural schedule in this Docket to delay the technical hearings and follow-on briefs until January 2015. These dates are contingent on our rendering a decision on remand in Docket 7970 that does not disturb the approval of Phase I as well as on the timely receipt of a 7(f) determination.

II. BACKGROUND

On December 23, 2013, in Docket 7970, the Board approved a Certificate of Public Good ("CPG") authorizing the construction of Phase I of the Addison Natural Gas Pipeline (the "December 23rd Order").

On January 11, 2014, in our first procedural Order in this Docket we noted VGS's representation that the interstate and transmission character of the proposed Phase II pipeline had led it to file a petition with FERC for two rulings, namely (1) the 7(f) Determination, and (2) a determination that VGS is a local distribution company for purposes of Section 311 of the Natural Gas Policy Act.

On February 27, 2014, the Board issued a second procedural Order in this Docket which established an initial schedule for this proceeding (the "February 27th Order"). At that time, some of the parties contended that the Board should wait until FERC rendered a 7(f) Determination before proceeding any further with this Docket. In that Order, the Board decided that, on balance, it was in the public interest to move ahead with consideration of VGS's Phase II petition. This decision was significantly informed by VGS's representation that a ruling from FERC was expected to be rendered in three months — meaning by late spring of 2014. As of this date, the 7(f) Determination still has not been rendered by FERC.

On July 2, 2014, VGS informed the Board that the estimated capital cost of Phase I had increased by approximately 40%. On September 11, 2014, the Vermont Supreme Court remanded Docket 7970 to the Board to determine whether to reopen the proceedings in light of new cost information.

On August 21, 2014, we sought comments from the parties in this Docket as to whether it would be appropriate to delay the technical hearings scheduled for October 6-10, 2014. Following receipt of the parties' comments, we also held a status conference on September 17, 2014, to further inform us of the status of the 7(f) Determination and of the practical impacts of delaying the technical hearings.

At the September 17th status conference, VGS represented that FERC review of the 7(f) Determination had not yet occurred because until September 9, 2014, the 7(f) Determination petition to FERC did not contain notice of the Company's application to the New York Public Service Commission for a New York Public Service Law Article VII Certificate of Environmental Compatibility and Public Need. VGS further represented that now that the FERC petition was complete, VGS anticipated that the 7(f) petition would be approved by FERC in ninety days.

III. DISCUSSION AND CONCLUSION

Because the pipeline under review in Phase II would physically connect to the pipeline that was approved in Phase I, any approval of a CPG for the construction of the Phase II pipeline presumes the construction of the Phase I pipeline.

Moreover, eight months have now passed since VGS first estimated that FERC's 7(f) Determination would be forthcoming in "approximately 90 days."¹ Thus, in light of the review we will be undertaking on remand in Docket 7970, and after a renewed weighing of the fairness to the parties and VGS of holding hearings now while the Company's 7(f) petition remains unresolved, we find that a delay of the technical hearings is now appropriate until after the 7(f) Determination has been issued.

Therefore, the Board hereby modifies the procedural schedule in this case as follows:

September 19, 2014	Discovery requests on non-petitioners' rebuttal testimony
September 23, 2014	Last day to conduct depositions
September 30, 2014	Non-petitioners' responses to discovery requests on rebuttal testimony
January 12-16, 2015	Technical hearings
January 30, 2015	Briefs due
February 13, 2015	Reply briefs due

This revised schedule ensures that the discovery process in this Docket will be completed on September 30, 2014. This will allow the technical hearings to be convened promptly after FERC has issued the 7(f) Determination. Furthermore, the date of the technical hearings, the due date of the briefs, and the due date of the reply briefs are all contingent upon the Board's rendering a decision in Docket 7970 that does not disturb the approval of Phase I as well as on the timely² receipt of a 7(f) determination.

SO ORDERED.

1. Tr. 1/22/14 at 19 (Hayden).
 2. If the 7(f) Determination is not received by December 31, 2014, the technical hearings dates and follow-on deadlines will be re-evaluated.

Dated at Montpelier, Vermont, this 19th day of September, 2014.

<u>s/ James Volz</u>)	
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)	PUBLIC SERVICE
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<u>s/ John D. Burke</u>)	BOARD
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<u>s/ Margaret Cheney</u>)	

OFFICE OF THE CLERK

FILED: September 19, 2014

ATTEST: s/ Susan M. Hudson
Clerk of the Board

NOTICE TO READERS: This decision is subject to revision of technical errors. Readers are requested to notify the Clerk of the Board (by e-mail, telephone, or in writing) of any apparent errors, in order that any necessary corrections may be made. (E-mail address: psb.clerk@state.vt.us)