



December 20, 2012

**RE: Vermont Gas Systems, Inc.: Addison Natural Gas Project
Certificate of Public Good – Section 248 Permit Application**

Dear Neighbor:

As you may know, Vermont Gas Systems, Inc. (“Vermont Gas,” “VGS” or the “Company”) is Vermont’s only natural gas utility and has over 45 years of experience building, operating and maintaining a natural gas system serving approximately 45,000 Vermont customers in Franklin and Chittenden Counties. Vermont Gas is preparing to expand its natural gas system into Addison County (the “Addison Natural Gas Project” or “Project”). The Addison Natural Gas Project will provide significant economic, environmental and reliability benefits to Vermont as well as advance Vermont Gas’s longer-term goal to extend service to the Rutland area.

The Project includes the following principal components:

- (1) Approximately 43 miles of new 12-inch transmission pipeline, extending from a new tie-in to be located at Vermont Gas’s existing 10-inch mainline north of Severance Road in Colchester (the “Colchester Tie-In”), Vermont, to the intersection of U.S. Route 7 and Exchange Street in Middlebury, Vermont (the “Transmission Mainline”);
- (2) Approximately 5 miles of new six-inch distribution mainlines (“Distribution Mainlines”) that will extend distribution service to Vergennes (4 miles) and Middlebury (1 mile); and
- (3) Three new pressure regulation stations (“Stations” or “Gate Stations”), one located near Route 2 in Williston to reinforce the existing distribution system, one on Plank Road in New Haven, and the third just south of the intersection of U.S. Route 7 and Exchange Street in Middlebury.

With this letter, Vermont Gas is providing you notice of its submittal today with the Vermont Public Service Board of a Petition for a Certificate of Public Good pursuant to 30 V.S.A. § 248 authorizing construction and operation of the Project. You are receiving this notice because your property, as recently identified on the town’s certified grand list, adjoins property where the

Project is proposed to be built. To learn more about the Public Service Board process for this Project, please refer to the Board's "Guide to the Vermont Public Service Board's Section 248 Process," available at <http://psb.vermont.gov/>.

Additional information concerning the Project, including the Petition, prefiled testimony, and exhibits, will be available following today's filing at the following locations:

1. The Vermont Public Service Board, 112 State Street (People's United Bank Building), Drawer 20, Montpelier, VT 05620-2601;
2. The Vermont Department of Public Service, 112 State Street (People's United Bank Building), Drawer 20, Montpelier, VT 05620-2701;
3. Vermont Gas Systems, Inc., 85 Swift Street, South Burlington, Vermont;
4. The municipal offices of Colchester, located at 781 Blakely Road, Colchester, Vermont 05446;
5. The municipal offices of Essex, located at 81 Main Street, Essex Junction, Vermont 05452;
6. The municipal offices of Ferrisburgh, located at 3279 Route 7 (mailing address P.O. Box 6), Ferrisburgh, Vermont 05456;
7. The municipal offices of Hinesburg, located at 10632 VT Route 116, Hinesburg, Vermont 05461;
8. The municipal offices of Middlebury, located at 94 Main Street, Middlebury, Vermont 05753;
9. The municipal offices of Monkton, located at 280 Monkton Road in Bristol, Vermont (mailing address P.O. Box 12, Monkton, Vermont 05469-0012);
10. The municipal offices of New Haven, located at 78 North Street, New Haven, Vermont 05472;
11. The municipal offices of St. George, located at 1 Barber Road, St. George, Vermont 05495;
12. The municipal offices of Vergennes, located at 120 Main Street (mailing address P.O. Box 35), Vergennes, Vermont 05491;
13. The municipal offices of Waltham, with a mailing address of P.O. Box 175, Vergennes, Vermont 05491;
14. The municipal offices of Williston, located at 7900 Williston Road, Williston, Vermont 05495;

15. The office of the Chittenden County Regional Planning Commission, located at 110 West Canal Street, Suite 202, Winooski, Vermont 05404; and
16. The office of the Addison County Regional Planning Commission, located at 14 Seminary Street, Middlebury, Vermont 05753.

Project information is also available at the Vermont Gas's Project website www.addisonnaturalgas.com.

VGS has received input from stakeholders regarding the proposed Project route in Monkton and Hinesburg suggesting an alternative location for the Project in those communities. VGS is providing notice under separate cover to the landowners along the suggested alternative corridor and will be engaging the communities in further discussion regarding the proposed Project route.

Should you have questions and would like to contact a Company representative, please contact Steve Wark, Vermont Gas's Addison Natural Gas Project Director, at (802) 863-4511 or swark@vermontgas.com.

Vermont Gas is committed to constructing the Project in a manner that respects you and your property. We look forward to working with you on this important Vermont project.

Sincerely,

VERMONT GAS SYSTEMS, INC.

By its attorneys,



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