

**LICENSE AGREEMENT BETWEEN THE TOWN OF BRISTOL AND  
VERMONT GAS SYSTEMS, INC. TO CONSTRUCT AND MAINTAIN A  
DISTRIBUTION NETWORK WITHIN THE TOWN OF BRISTOL**

This Agreement dated this \_\_\_\_ day of \_\_\_\_\_, 2017 is made between the Town of Bristol (“Bristol” or “Town” hereafter) and Vermont Gas Systems, Inc. (“VGS” hereafter).

WHEREAS, VGS is in the process of expanding its natural gas pipeline service system into Addison County, including distribution service in Bristol; and

WHEREAS, Bristol is supportive of the project as long as it is constructed and operated in a manner that addresses Bristol’s interests and concerns, including but not limited to public safety, aesthetics, protection of natural resources, and consideration of the unique rural character of the Town of Bristol and Addison County:

WHEREAS, VGS received a Certificate of Public Good in Docket No. 7970 on January 8, 2016 to construct the Addison Natural Gas Project (“Project”) and to extend VGS’ natural gas transmission pipeline through Chittenden County and Addison County; and

WHEREAS, Bristol, as a member town in the Addison County Regional Planning Commission (“ACRPC”) and ACRPC signed a Memorandum of Agreement with VGS incorporating certain conditions into any final order issuing a Certificate of Public Good; and

NOW THEREFORE, Bristol and VGS agree to the following:

**A. Natural Gas Distribution Facilities in Bristol:**

1. VGS shall construct and operate a distribution network, primarily within the right of way on various streets located throughout the Town. Rights of way may vary from the standard 25’ from the center of the road, on some streets within the village.
2. VGS shall operate the distribution network and be responsible for its maintenance and for removal of abandoned pipeline in perpetuity.

**B. Administrative:**

1. A permit is issued by the Town to Vermont Gas Systems (VGS) for work to be conducted by VGS and its contractors within the Town's public right of way.
2. Prior to the installation of the distribution network, the Selectboard or their designee reserves the right to modify this License Agreement in the event of a substantial change in circumstances affecting the work to be performed by VGS. In such event, the Selectboard or their designee shall provide seven (7) days’ notice in writing to VGS.

3. Vermont Gas Systems shall submit two sets of final construction plans to the Town. The initial construction plans covered by this License Agreement is the VGS Medium Pressure Natural Gas Pipeline, as depicted on attached Exhibit 1.
4. VGS shall provide a Certificate of Insurance naming the Town of Bristol as an additional insured and providing coverages in the specific amounts set forth below. The certificate shall be provided by VGS to the Town. Insurance shall not be cancelled, materially changed or not renewed without thirty (30) days written notice to the Selectboard or their designee. VGS shall agree to indemnify, defend and hold the Town of Bristol harmless and/or free of liability arising out of work in the public right of way. Specific insurance requirements are as follow:
  - a. General Liability
 

Bodily Injury, Per Occurrence	\$1,000,000
Bodily Injury, annual aggregate	\$2,000,000
Property Damage	\$1,000,000
Insurance shall include coverage for collapse and underground (CU) hazard, explosions (X) coverage, and contractual liability.	
  - b. Automobile Liability.
 

Bodily Injury, per occurrence	\$1,000,000
Bodily injury, annual aggregate	\$2,000,000
Property Damage	\$1,000,000
Coverage shall be for owned, non-owned, and hired vehicles.	
  - c. Workers' Compensation & Employer's Liability.
 

Statutory coverage	\$1,000,000
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5. For 2018 and 2019, VGS shall schedule an annual meeting to evaluate VGS work within the Town and to review the anticipated VGS work for the coming year and to coordinate VGS work with work planned by the Town. In addition to the annual meeting and thereafter, VGS shall be available for 'progress update' meetings as requested by the Selectboard, Road Foreman or their designee.
6. VGS shall reimburse the Town for reasonable, verifiable expenses incurred in locating Town-owned utilities. It is anticipated that utility locations will be necessary when VGS-proposed work is in close proximity to a Town-owned utility. The Town does not expect the need to locate utilities that are not in direct conflict with the proposed work. The Town does not anticipate that the 'utility location' become an inspection process. There will be a one (1) hour minimum charge for locating services. The charge shall be comprised of the contract rate the Town is invoiced by their water/sewer contract operator.
7. Contingent upon timely approvals from all local and state governing authorities, VGS proposes to construct a significant portion of the initial

distribution system, substantially as defined on Exhibit 1, performed pursuant to this License Agreement, by December 31, 2019.

[NOTE: Add provision that if the Town gets sued and VGS is found to be at fault that VGS would pay all attorney fees.]

**C. Easements:**

1. VGS shall negotiate in good faith with the Town's residents with respect to the acquisition of easements. .
2. Unless otherwise requested or agreed to by a landowner, VGS agrees that its easements with individual landowners will be limited to one operating distribution pipeline.
3. VGS agrees that easements will be limited to the transportation of gaseous energy products (i.e. natural gas or renewable natural gas). For clarity: the easements will not allow the pipeline to be used to transmit any form of fuel oil or other liquid.
4. VGS will restore (post construction or abandonment) the property associated with above-ground facilities, to match the surrounding area contours.
5. VGS will repair or replace clay tiles and field drainage pipes or ditches and related items impacted by construction, provided such items were in functioning condition prior to construction.
6. Where project construction may interfere with access to agricultural lands, VGS shall work with farmers in good faith to install temporary access as permitted by the Town and agrees to compensate crop owners for the value of crops lost as a result of construction. The terms of such crop loss will be contained in the individual landowner's agreement for easement.
7. Subject to any safety concerns, agricultural crops, excluding silvicultural crops, shall be permitted within the ROW on lands encumbered by a VGS agreement to the extent they were permitted prior to construction, if compatible with management of the ROW.
8. Agricultural soils disturbed by construction will be replaced per the June 13, 2013 Memorandum of Understanding with agricultural groups, including the requirement that agricultural soils in the project corridor will be decompacted with a sub-soiler following installation of the pipeline.
9. VGS shall not grant any secondary easements to any other entity, for any purpose without the written consent of the landowner. Each easement acquired for the development of the Project in Bristol shall contain an express restriction preventing the granting of secondary easements involving any of

the rights conveyed by the underlying easement without the written consent of the landowner.

**D. Pre-Construction:**

1. VGS will submit to the Selectboard and Road Foreman and/or their designee no less than 30 days prior to commencement of the expected work, a plan indicating the proposed route of the pipe to be run within the public right of way. Included with each plan will be a detailed sketch of the work area showing the proposed pipe location, the Town street right of way, traffic flow and an estimate for the quantity of material to be excavated. If requested as a condition of the License Agreement review, VGS will schedule an in-person review of the planned work with the Bristol Selectboard, Road Department and/or Water Department.
2. VGS shall contact Dig-Safe and receive valid Dig-Safe approval prior to any construction.
3. VGS shall notify the Bristol Road and Water Departments at the same time as Dig-Safe, to allow the Town to locate Town-owned utilities.
4. No work, except for emergencies, within the Town right of way is allowed when roads are susceptible to damage due to saturated base condition.
5. Immediately prior to commencing work and if requested by the Bristol Road and Water Department, VGS shall schedule a pre-construction meeting to review the work areas, proposed schedule of the work, maintenance of public access, emergency vehicle access and to address any specific concerns the Town of Bristol may have with a particular area of work, including specific phases of the proposed work that the Town wishes to inspect (excavation/backfill schedule, asphalt patching, etc.).
6. VGS shall establish a project manager / inspector who shall serve as the single point of contact for each proposed section of work. The VGS project manager shall be responsible for working with affected landowners along the proposed work area, keeping the Bristol Road and Water Departments informed of the project progress and for addressing any concerns or complaints expressed to the Town.

[NOTE: What about a Clerk of the Works for the Town, e.,g. 20 hrs/wk?]

7. In the event the Town modifies a Town street and/or road within the Town right of way, VGS shall cooperate and if requested by the town, relocate affected VGS facilities at no cost to the Town indefinitely. The Town will provide sufficient advance notice to VGS to relocate its facilities.
8. The Town of Bristol shall work in good faith to issue all applicable permits required for the project in a timely fashion. Further the Town agrees to issue

said permits related to work within the Town ROW within 60 days of receipt of the completed application. Such local permits will be consistent with the terms of this MOU. Road access permits for curb cuts, and for road crossings where there is an adjacent landowner, will allow construction only if a valid easement with a bordering landowner is in place. The Town will work timely and in good faith to resolve any issues of which they are notified, and in any event shall not unreasonably deny or delay issuance of permits.

**E. Construction and Safety:**

1. VGS, and any contractors employed by VGS, shall comply with all applicable Federal and State health and safety laws and regulations (OSHA, VOSHA, DOT, etc.)
2. VGS and any contractors employed by VGS are responsible for traffic control and shall comply with DOT and MUTCD standards. Traffic control will be by flag person, except as may be required when working within a State of Vermont right of way. VGS shall submit a traffic plan for any detours needed for a closed street due to open trench excavation or any other work requiring a detour.
3. VGS will take measures to mitigate traffic and other construction impacts, including, if necessary, limiting hours of construction to keep traffic impacts temporary and localized. VGS will limit its hours of construction from 7 a.m. to 7 p.m. Monday through Friday and 8 a.m. to 5 p.m. on Saturday. No construction will take place on Sundays or state and federal holidays.
4. Except in the event of an emergency, VGS shall maintain at least one lane of traffic flow throughout the work area.
5. VGS shall notify the Bristol Police Department, Bristol Fire Department and the Bristol Area Rescue Squad of any changes in traffic patterns as soon as the need for such changes is known.
6. Except as authorized by Bristol, VGS shall employ horizontal or directional bored drilling to construct the Project through any paved Town road crossings.
7. Unless otherwise advised by the Road Foreman, VGS shall construct an acceptable clearance over / under culverts, but in no case shall it be less than a 1-foot separation. If minimum separation cannot be achieved in the field VGS will notify the Bristol Road Department to discuss resolutions.
8. VGS shall make every effort to locate natural gas distribution mains on the opposite side of the Town right of way from where sanitary and water mains are already installed. In the event this cannot be achieved, VGS shall attempt to maintain a minimum 2-foot clearance from existing utilities as much as possible. If minimum separation cannot be achieved in the field, VGS will notify the Bristol Road and Water Department to discuss resolutions.

[NOTE: Prohibit meters being located on the front of buildings?]

9. VGS shall install natural gas distribution mains at a minimum depth of three (3) feet below the finished grade of a Town street when achievable. In the event there are obstacles, such as but not limited to ledge, culverts, utilities and other structures that would prevent the three foot minimum depth, VGS will notify the Bristol Road and Bristol Water Departments and the Town Engineer to discuss resolutions.
10. VGS shall employ appropriate safety measures such as cones, ribbons, flaggers and signage associated with excavations or stock-piled materials to protect the public from access to the VGS work areas. In the event a VGS work area is to be left un-backfilled overnight, VGS shall employ appropriate additional safety measures to ensure that the work area does not pose a hazard to the general public and is sufficiently marked for nighttime conditions. VGS, its contractors, representatives and agents shall adhere to applicable federal, state, local and company rules and regulations concerning traffic control.
11. VGS shall comply with the terms of any required VT ANR permits for the work being performed. VGS will repair or replace clay tiles and storm drains or related items impacted by construction, provided such items were in functioning condition prior to construction. All surfaces including but not limited to pavement/concrete/green space areas disturbed by VGS or a subcontractor of VGS, shall be restored to pre-construction condition, including thickness of materials installed. Unless otherwise agreed to with the Town, any plantings (trees, shrubs and flower beds) disrupted by the work shall be replaced with equivalent plantings upon completion of the construction work. VGS shall guarantee the performance of all work on restored areas to be free from defects or settlement for the period of one year from the date of restoration. Any rework shall be at VGS' sole expense.

[NOTE: Timeframe?]

VGS shall maintain an accurate set of as-built documentation at VGS' offices in South Burlington. Access to the VGS as-built information is available 24/7 through the emergency VGS contact number. VGS shall provide and maintain a street map view of the installed Bristol natural gas distribution system via the VGS website. At the request of the Bristol Road and Water Department, VGS shall supply CADD drawings of the current VGS distribution system in Bristol for use in the coordination of planning below-grade work in Bristol. It is understood and agreed that the availability of as-built information provided in any format by VGS does not circumvent the Town or VGS' requirement to notify and obtain a Dig-Safe permit prior to any excavation work.

**F. Emergency Work:**

1. In the event VGS must perform emergency excavation work within the Town right of way, VGS shall proceed with the work under the terms of this License

Agreement. VGS shall as soon as reasonably possible notify the Bristol Road and Water Departments, the Bristol Police Department, Bristol Fire Department, and the Town Administrator of the work being performed and the anticipated schedule. VGS shall provide notification when the emergency work is completed and if there is any additional follow-up work required by VGS to complete the repair and restoration.

**G. Emergency Training and Management.**

1. Prior to bringing the completed distribution line into service, VGS agrees to provide one regional training, including Bristol, open to any first responder wishing to understand the potential issues associated with natural gas transmission, distribution and gas use. Training will be coordinated with other First Responders in the region.
2. Prior to bringing the completed distribution system into service, VGS agrees to provide the Bristol Fire Department with 6 sets of non-sparking wrenches (one for each truck) and a methane gas detection meter. VGS shall replace tools/gas meter as deemed necessary by the Bristol Fire Chief and shall annually provide the gas for recalibration of all gas meters.
3. VGS shall continue to deliver its public awareness campaign that complies with C.F.R. 49, Section 192.616 addressing issues including the one-call evacuation notification system (Dig Safe), the possible hazard associated with the unintended release of natural gas and the steps that should be taken if such a release occurs.
4. VGS shall continue to offer and provide at their sole expense, natural gas emergency response safety for the Bristol Fire Department and any other interested first and second responder agencies whose service territory includes the distribution lines. VGS agrees that the emergency response baselines contained in its Service Quality and Reliability Plan, as may be modified from time to time by Order of the Board, shall be the same for Addison County as for Chittenden County and Franklin County. VGS shall work with the Town to update the emergency response plan in order to address any concerns or requests of the Town. Furthermore, VGS agrees to share applicable parts of its emergency response plans, including updated copies when they are updated, with local emergency response agencies and with appropriate Town officials.
5. VGS shall provide the Town's Emergency Management Director, Fire Department and Police Department with direct contact information for VGS response personnel.

**H. Distribution**

1. VGS shall pay for all costs related to the construction and operation of the distribution system. The VGS Tariff provides that upon satisfactory receipt of all applicable permits, authorizations, easements and other necessary approvals, VGS

will install a service line for any customer, except for temporary service, for a distance of up to one hundred (100) feet from the nearest curb to the meter location without charge to the customer. Any excess footage shall be paid for by the customer unless the service to be rendered to the customer at the company's regular rates will yield adequate revenue to justify the expenditure by the company for such excess footage.

2. VGS shall provide Bristol with current copies of its annual inspection reports on the pipeline and other VGS gas distribution facilities located within the Town of Bristol on an annual basis. Copies of all relevant Material Safety Data Sheets that provide information for materials used in connection with the operation and maintenance of the pipeline shall be included in the annual inspection report provided to the Town.
3. VGS shall pay property taxes to the Town of Bristol when due, as determined by the methodologies set forth by the Vermont Department of Taxes for assessing utilities.

#### **I. Blasting**

1. VGS shall adhere to the blasting plan filed with the Public Service Board including arranging for an informational session with surrounding landowners and tenants. All blasting shall be performed in accordance with all applicable State and Federal laws and regulations.
2. All blasting for the project will be carried out by licensed and certified blasting technicians. Prior to blasting, VGS shall provide the Town of Bristol landowners and tenants with one (1) week prior notice, via writing, phone or door hangers. The Town of Bristol, at its sole discretion, may authorize a shorter notice provision upon request of VGS. VGS shall provide Bristol with a contact person to whom it may refer all blasting questions.
3. Blasting mats shall be used for all blasting activity. VGS shall abide by any additional safety measures required by the Vermont Department of Public Service.
4. VGS shall remediate, indemnify, hold harmless the Town of Bristol and their property owners for any and all physical damage or losses to property if and to the extent such damage is caused by construction and/or blasting. Property owners are third Party beneficiaries to these duties and obligations by VGS. This obligation to remediate, indemnify and hold harmless shall not be merged into any final order of the Public Service Board and shall remain separately enforceable by any beneficiary of this provision.

#### **J. Reserved Rights of Bristol.**

1. Bristol reserves full rights of participation in any separate or additional permit proceedings associated with the distribution network, including but not limited to

natural resource permit proceedings, and reserves the right to request such additional conditions or safeguards as it may deem to be in Bristol's interest.

- 2. Bristol reserves full rights of participation in any future distribution network phases or proceedings of VGS' natural gas projects, including but not limited to the right to request or advocate for different or additional conditions from those set forth above, together with the right to support or oppose any future proposals based on Bristol's interests.

VGS shall indemnify, defend and save the Town harmless against all damages (included but not limited to property, bodily injury), costs and expenses, whatsoever to which the Town may be subjected in consequence of the acts of neglect of VGS its agents or servants or in any manner arising from the rights and privileges granted it by the said Town.

VGS shall comply with the requirements of existing ordinances and any others such as may hereafter be adopted, governing the construction and maintenance of VGS' pipeline so far as the same are not inconsistent with the laws of the State of Vermont or other regulatory agency requirements.

VGS and the Town intend that this Agreement shall apply to all distribution pipeline installed in the Town, including installations subsequent to the initial distribution network construction.

VGS and the Town agree that in the event of a merger, restructuring, or other reorganization pursuant to which a new entity, other than VGS, takes over responsibility for the construction and/or operation of the distribution network, VGS shall ensure that such entity shall be legally bound by all agreements made by or undertaken by VGS pursuant to this Agreement.

[Signatures to follow]

IN WITNESS WHEREOF, the parties set their hands and seals as of the date set forth above.

\_\_\_\_\_  
Vermont Gas Systems, Inc., by its  
Duly Authorized Agent

\_\_\_\_\_  
Town of Bristol, Vermont by its  
Selectboard or their designee

Recording Information:

Date: \_\_\_\_\_, 2017

This decision is recorded with the Records of the **Town of Bristol**, Book \_\_\_\_\_, and Page \_\_\_\_\_.

Attest:  
\_\_\_\_\_, Town Clerk