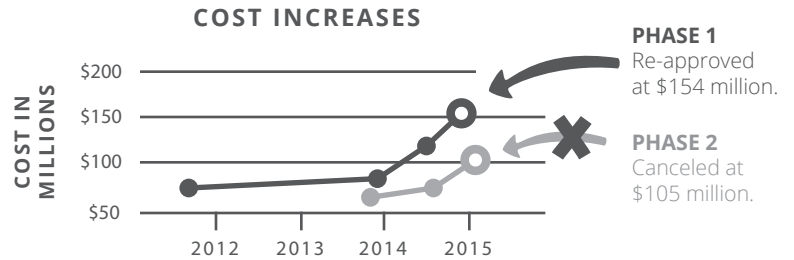


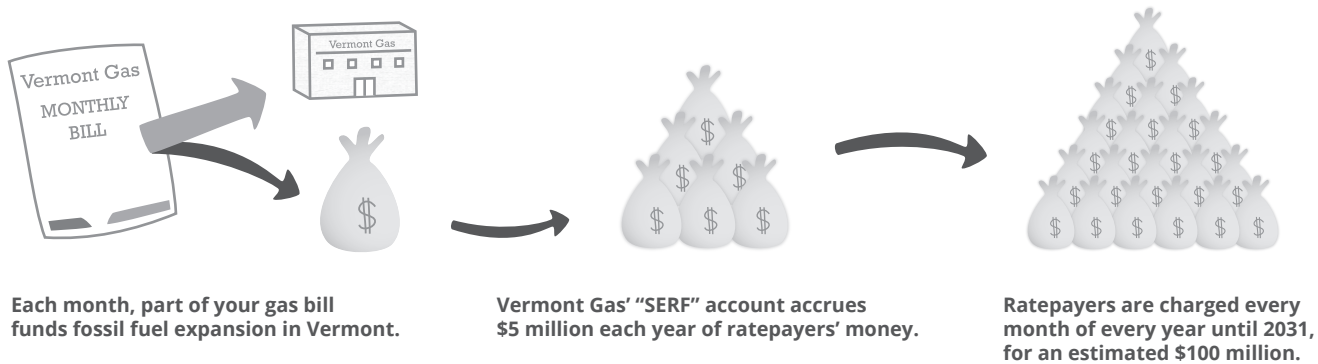
RATEPAYERS AND THE PIPELINE

The pipeline expansion project by Vermont Gas is being funded with rate increases and additional charges on you - the customer. This document details the connection between the ratepayers and the pipeline.



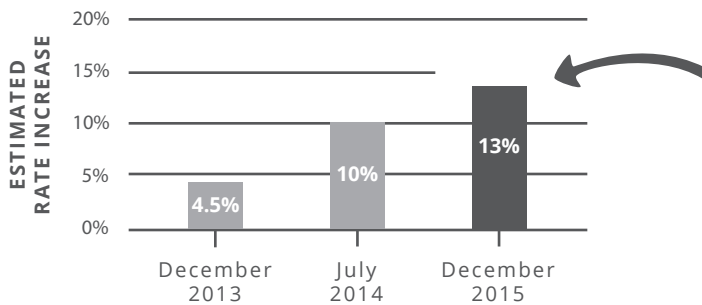
YOUR MONTHLY SURCHARGE THE SYSTEM EXPANSION AND RELIABILITY FUND (SERF)

In 2011, Vermont Gas established the **System Expansion and Reliability Fund (SERF)** to fund pipeline expansion throughout Vermont. The money deposited in the fund is collected from existing customers via a 5.4% surcharge on your monthly gas bill. Vermont Gas plans to continue this charge every month until 2031, **collecting over \$5 million annually** and - by the end of the term - over \$100 million. Although the three-member Vermont Public Service Board approved the creation of the SERF, Board member John Burke dissented, explaining that the SERF amounted to **"venture capital supplied by existing ratepayers."**



RATE INCREASES

When Vermont Gas first proposed Phase I of their pipeline project, the additional SERF charges would have fully covered the project's estimated costs. Now, with the **estimated costs of Phase I nearly doubling** to \$154 million, the SERF alone is not enough to pay for the project. An additional \$50 million will be raised through further rate increases on all existing customers.



Each cost increase of the Phase I project means an increase in your rates. These rate increases - estimated by Vermont Gas - have been climbing higher and higher. **The most recent proposal is for a nearly 13% rate hike.** And this is on top of the money you're already paying into the SERF.

WHAT YOU CAN DO

File a complaint with the Vermont Department of Public Service that you don't want to pay for this pipeline. Vermont Gas has not yet received approval to withdraw from the SERF or raise rates - it's important to speak up now.

➔ File a complaint at justpowervt.org/ratepayers