

ACTION NO. _____

ITEM NO. D-1

AT A REGULAR MEETING OF THE BOARD OF SUPERVISORS OF ROANOKE COUNTY, VIRGINIA HELD AT THE ROANOKE COUNTY ADMINISTRATION CENTER

MEETING DATE: October 14, 2014

AGENDA ITEM: Briefing by EQT / Next Era Energy regarding proposed Mountain Valley Pipeline

SUBMITTED BY: Daniel R. O'Donnell
Interim County Administrator

APPROVED BY: Daniel R. O'Donnell
Interim County Administrator



COUNTY ADMINISTRATOR'S COMMENTS:

SUMMARY OF INFORMATION:

Roanoke County Administration has been contacted by EQT Corporation and informed that the corporation, in a joint Venture with NextEra Energy Resources, proposes to locate the Mountain Valley Pipeline through a portion of Roanoke County. The proposed Mountain Valley Pipeline will transport natural gas from Northern West Virginia to Pittsylvania County, Virginia if permitted by the federal government and constructed by the corporation. County landowners will soon be contacted for permission to enter their property for survey purposes if the company is considering their property as part of the route. Natural gas pipelines appear to be exempt from state and local permitting processes and are permitted by the federal government through the Federal Energy Regulatory Commission (FERC). Staff has asked the corporation to discuss the location of the proposed line as well as the permitting process with the Board of Supervisors in a briefing so that the public will be informed of the plans and permitting process. Information about the proposed Mountain Valley Pipeline can be found on the corporation's website <http://ir.eqt.com> or the project website <http://mountainvalleypipeline.info>. Attached to this report is a Project Overview and a map of the proposed route provided by the corporation.

The representatives who are scheduled to attend are:

Chris Sherman – Director of Legislative and Regulatory Affairs, NextEra Energy Resources

Maurice Royster – Manager of Government Affairs, EQT

Kevin Wagner – Technical Land Manager



PROJECT OVERVIEW

As proposed, the Mountain Valley Pipeline project is a FERC-regulated natural gas pipeline system that spans approximately 300 miles from northwestern West Virginia to southern Virginia. The MVP will be constructed and owned by Mountain Valley Pipeline, LLC, a joint venture of EQT Corporation (NYSE: EQT) and NextEra US Gas Assets, LLC, an indirect, wholly owned subsidiary of NextEra Energy, Inc (NYSE: NEE). A subsidiary of EQT Corporation will operate the pipeline and own a majority interest in the joint venture.

With a vast supply of natural gas from Marcellus and Utica shale production, the Mountain Valley Pipeline (MVP) is expected to provide at least two billion cubic feet per day of firm transmission capacity to markets in the Mid- and South Atlantic regions of the United States. The estimated 300-mile MVP will connect the existing Equitrans transmission system in Wetzel County, West Virginia, to Transcontinental Gas Pipeline Company's (Transco) Zone 5 compressor station 165 in Pittsylvania County, Virginia – a highly marketable trading area for the southeast region.

The pipeline will be governed by the United States Natural Gas Act, which requires a Certificate of Convenience and Necessity from the Federal Energy Regulatory Commission (FERC) before construction can commence. Subject to regulatory approvals, the pipeline is expected to be in-service during the fourth quarter 2018. As currently planned, the pipeline will be 36"- 42" in diameter and will require approximately 60' of permanent easement, with 125' of total easement that will include temporary construction work space. In addition, the project will require three to six compressor stations. The design, size, and location of these facilities will be finalized based on shippers' firm capacity commitments.

Schedule

In general, the targeted in-service date for the MVP is the fourth quarter 2018 – allowing for approximately 24 months of project planning and 24 months of construction.

Several commercial and engineering aspects must be completed before construction can begin on the MVP project. Commercial aspects include securing and confirming capacity commitments. In June 2014, the initial MVP Open Season was filed to understand initial interest in securing transportation capacity – and in early September 2014, the joint venture had received firm capacity commitments of 1.5 Bcf per day. On September 2, 2014, a Binding Open Season to secure additional firm capacity began – providing all market participants, including natural gas producers, marketers, industrial users, or local distribution companies, an opportunity to secure MVP capacity. The expected total transmission capacity and specific system design is based on executed agreements resulting from the Binding Open Season, which will close on September 29, 2014.

The engineering aspects include surveying and evaluating preliminary routing to help determine a final route with the least impact to landowners, cultural resources, and the environment. An important step is obtaining permission to access landowner property to conduct engineering and environmental surveys. At this stage, we are only seeking permission to access property – and actual surveying will not begin until we have landowner permission. In the end, we may obtain landowner permissions for parcels that are not in the final route; however, it is necessary to make as comprehensive an evaluation as possible to determine the final route. This includes preparations for the potential routing through various counties, including those that may not be within the final route corridor.

To-date, landowner permission letters have been sent in the following counties:

- **West Virginia:** Braxton, Doddridge, Fayette, Greenbrier, Harrison, Lewis, Marion, Monroe, Nicholas, Summers, Webster, and Wetzel
- **Virginia:** Giles, Floyd, Franklin, Montgomery, Pittsylvania, Pulaski, and Roanoke



Once the preliminary route is finalized, the environmental review process with the FERC will begin. This is referred to as the Pre-Filing Review, which provides for early identification and resolution of environmental issues and allows for direct interaction between FERC staff, community members, and other stakeholders. After the Pre-Filing Review is complete, which typically takes about six to ten months, Mountain Valley Pipeline, LLC will file an application with the FERC for a Certificate of Public Convenience and Necessity. This aspect of the FERC review can take up to 12 months or longer and construction cannot commence until FERC issues this certificate, which will include FERC's environmental analysis of the project.

MVP Route

The MVP route is being carefully designed to utilize as many existing gas and electric transmission corridors as possible; to avoid sensitive or protected areas when feasible; and to limit surface disturbance and minimize the overall environmental footprint. In Virginia, the currently proposed route will cross the Jefferson National Forest in three locations for a total of approximately three miles, the majority of which is on existing corridors. The currently proposed route will avoid the Holly River State Park, the Monongahela National Forest, and the Bluestone Wildlife Management Area in West Virginia, and will not cross the New River.

Health, Safety, and Environment:

As the lead federal agency, the Federal Energy Regulatory Commission will oversee the federal permitting process for the MVP project and will also coordinate with other federal, state, and local agencies during the environmental review process to identify and minimize potential environmental concerns.

- U.S. Department of Transportation statistics confirm that natural gas transmission pipelines are the safest form of energy transportation
- Construction and operation of transmission lines follow strict federal and state guidelines that minimize environmental disturbance
- Mountain Valley Pipeline, LLC believes safety is a core value and number one priority
- Mountain Valley Pipeline, LLC has a steadfast commitment to environmental protection and will conduct its business operation in a sustainable and environmentally responsible manner at all times

Community Benefits:

- Local communities can receive revenues from taxes paid on the pipeline and compressor stations
- States will receive revenue from sales and use taxes paid during the construction of the project
- Potential employment opportunities for local residents during the construction phase of the project
- Increased activity and revenue for restaurants, hotels/motels, and retailers