



## NEWS RELEASE

### **Mountain Valley Pipeline Files Formal Application Requesting FERC Authorization To Construct 301-Mile Interstate Natural Gas Pipeline**

- *Delivery points will provide natural gas service to communities along the route; enhancing service reliability and delivering to previously unserved or underserved markets*
- *Proposed route incorporates landowner considerations and thoughtfully addresses many concerns brought forth during the pre-filing process*
- *The project is expected to be a magnet for economic development; attracting manufacturers, stimulating job growth, and providing additional tax revenues to Virginia and West Virginia*
- *The project has the support of Virginia Governor Terry McAuliffe and West Virginia Governor Earl Ray Tomblin; as well as the Virginia Chamber of Commerce, Roanoke Regional Chamber of Commerce, West Virginia Chamber of Commerce, Doddridge County Economic Development Authority, Nicholas County Commission, Webster County Commission, Webster County Economic Development Authority, Lewis County Economic Development Authority, and other organizations*
- *MVP is committed to utilizing the pipeline installation as an opportunity to increase conservation and biodiversity value along the route; with right-of-way restoration plans that would surpass regulatory requirements*

**PITTSBURGH, PA** (October 23, 2015) – Mountain Valley Pipeline, LLC, today, formally applied to the Federal Energy Regulatory Commission for authorization to build a 301-mile interstate natural gas transmission pipeline designed to provide timely, cost-effective access to the growing demand for natural gas for use by local distribution companies, industrial users, and power generation facilities in the Mid-Atlantic, Southeast, and Appalachian regions of the United States.

Mountain Valley Pipeline, LLC is a joint venture between EQT Midstream Partners, LP (NYSE: EQM), majority owner and operator of the proposed Mountain Valley Pipeline; and affiliates of NextEra Energy, Inc. (NYSE: NEE); WGL Holdings, Inc. (NYSE: WGL); Vega Energy Partners, Ltd; and RGC Resources, Inc. (NASDAQ: RGCO). The Mountain Valley Pipeline (MVP or Project) would transport the abundant supply of Marcellus and Utica natural gas - commencing in Wetzel County, WV and traversing south through 11 counties in WV; and southeast through six counties in VA before ending in Pittsylvania County, VA. The MVP is expected to provide at least 2 Bcf per day of firm transmission capacity; and pending regulatory approval, construction is anticipated to begin in late 2016, with a full in-service targeted for the fourth quarter 2018.

Through this certificate application filing, the Federal Energy Regulatory Commission (FERC) is being asked to certify the public convenience and necessity of the MVP project. The FERC, together with several cooperating agencies, will conduct a detailed review and evaluation of a broad number of subjects, including public safety; water resources; karst topography; air quality; wildlife, soils, and vegetation; protected species; cultural and historic resources; sound levels; realistic alternatives; and cumulative economic benefits.

On October 31, 2014, the FERC granted authorization to begin the pre-filing process for the MVP project. During the past year, the MVP team has conducted 16 open houses, in addition to the six scoping meetings hosted by the FERC, all aimed at encouraging an open dialogue with community members, landowners, and public agencies in order to receive comments and feedback on the MVP project.

The certificate application is a collection of information gathered before and during the FERC pre-filing process. This comprehensive set of documentation includes extensive research from environmental, geological, and economic studies conducted by the MVP project team and outside experts – and perhaps more importantly includes intelligence learned during discussions with landowners along the route and local elected officials.

The MVP project team considered more than 1,000 miles of alternatives and variations to the proposed route, and made numerous minor adjustments for individual property owners along the route, in order to mitigate concerns that were raised during the pre-filing process. The proposed route identified in the application encompasses these various revisions, which include the protection of streams, wetlands, and cultural resources, as well as the avoidance of or modification to several sensitive areas and karst topography regions. Examples of such adjustments include:

- Reduction in permanent right-of-way width from 75' to 50'
- Avoidance of the Spring Hollow Reservoir and Camp Roanoke areas
- Avoidance of the Elk River Wildlife Management Area
- Alteration to the Blue Ridge Parkway crossing in order to minimize vegetation clearing and long-term visual impact
- Avoidance of Cahas Mountain Rural Historic District and the Town of Boones Mill's water source treatment plant
- Avoidance of the Burnsville Lake Wildlife Management Area
- Proposed number of compressor stations during construction reduced to three

"Filing of the formal application is a milestone for MVP and we thank the many landowners, elected officials, and community members who have worked with us to design a proposed route that takes into account a multitude of individual requests and environmental considerations," stated Randy Crawford, chief operating officer, EQT Midstream Partners. "Since the Project's inception, we have been committed to listening, learning, and continuing an open dialogue. We will preserve this same attention to detail as the Project progresses; and we will maintain our diligent focus on building a world-class pipeline."

One of the Project's primary objectives is to serve communities along the route. The working partnership with Roanoke Gas Company, who will be a shipper, is designed to supply and potentially expand the Roanoke Gas customer base throughout southwest Virginia. Additionally, markets in the area that presently do not have natural gas service will have the ability to access the MVP, which in turn is expected to attract manufacturing opportunities to the area. It is clear that having a safe, reliable source of natural gas is important to secure industry growth, which subsequently will stimulate job creation and spending throughout the region.



Joyce Waugh, President, Roanoke Regional Chamber of Commerce, stated, “The Roanoke Regional Chamber supports the continued development of infrastructure that is integral to business expansion in our region. Our prosperity depends on the presence of robust transportation – education – recreation – healthcare – telecommunication – and energy infrastructure. With these building blocks in place, our economy and our quality of life are given great opportunities for growth.

“As a result of this philosophy, the Roanoke Regional Chamber supports the Mountain Valley Pipeline project and strongly encourages its development in accordance with laws and regulations of the United States and the Commonwealth of Virginia; in cooperation with property owners; with the utmost safety; and with respect for the environment and our region’s beauty,” Waugh continued.

Steve Roberts, President of the West Virginia Chamber of Commerce provided a similar endorsement, stating, “Having access to a reliable, cost-efficient source of natural gas is essential for growth and progress in any region of the United States. Over the long-term, the Mountain Valley Pipeline project will not only generate significant tax revenues for counties to fund local schools, roads and other important priorities of county government; but it will also serve as a magnet for manufacturers and other economic development opportunities for our various West Virginia communities along the route.”

From an economic benefits perspective, the MVP project is expected to bring significant and meaningful benefits to West Virginia and Virginia, and the counties along its route, based on findings from FTI Consulting, the company that managed and produced the MVP economic benefits report. FTI took a conservative and reasonable approach to estimating the state-level impacts related to the MVP – utilizing cost data for MVP’s in-state spending for goods and services only and excluding spending related to out-of-state goods and services. The MVP project estimates:

- Spending of \$811 million in WV and \$407 million in VA on labor, equipment, materials, and services
- Employment support at the peak of construction of more than 4,500 jobs in WV and 4,400 jobs in VA, including direct, indirect, and induced jobs
- Direct employment will generate more than \$335 million in labor income in WV and more than \$165 million in VA during construction

Increased state tax revenue is also a significant factor related to the MVP project. For county level tax benefits, FTI discussed the process of estimating annual pipeline property (ad valorem) taxes with WV and VA state tax officials in order to be consistent with how the states would determine the property taxes owed by MVP. For state-level tax benefits, FTI estimated taxes based on historical state tax revenues and the sources for those revenues. The state tax analysis reflects taxes generated mainly from one-time construction and commissioning spending.

- Annual MVP ad valorem taxes for WV are estimated at almost \$17 million once the pipeline is operational, and more than \$7 million in VA
- Estimated state and local tax revenues generated during construction are more than \$47 million in WV and more than \$34 million in VA (sales, use, income, property, and other tax categories)

The application and resource reports, along with state and county maps are available on the MVP website ([www.mountainvalleypipeline.info](http://www.mountainvalleypipeline.info)). Paper copies will be placed in public libraries or community buildings along the proposed route.



## **About Mountain Valley Pipeline**

The Mountain Valley Pipeline (MVP) is a proposed underground, interstate natural gas pipeline system that spans approximately 300 miles from northwestern West Virginia to southern Virginia. Subject to approval and regulatory oversight by the Federal Energy Regulatory Commission, the MVP will be constructed and owned by Mountain Valley Pipeline, LLC – a joint venture of EQT Midstream Partners, LP; NextEra US Gas Assets, LLC; WGL Midstream; Vega Midstream MVP LLC; and RGC Midstream, LLC. The MVP was designed to transport clean-burning natural gas from the prolific Marcellus and Utica shale regions to the growing demand markets in the Mid-Atlantic and Southeast areas of the United States. Targeting a full in-service of late 2018, EQT Midstream Partners, majority interest owner, will operate the pipeline. From planning and development, to construction and in-service operation – MVP is dedicated to the safety of its communities, employees, and contractors; and to the preservation and protection of the environment.

Visit [www.mountainvalleypipeline.info](http://www.mountainvalleypipeline.info)

### **Cautionary Statements:**

Disclosures in this news release contain certain forward-looking statements that do not relate strictly to historical or current facts and are forward-looking. Without limiting the generality of the foregoing, forward-looking statements contained in this news release specifically include the expectations of plans, strategies, objectives and growth, and anticipated financial and operational performance of Mountain Valley Pipeline, LLC, including guidance regarding the proposed Mountain Valley Pipeline (MVP) and joint venture, such as the projected length of the MVP; the MVP's expected interconnections with facilities and pipelines; the timing of development and construction for the MVP; the estimated cost of the MVP; the expected in-service date for the MVP; and the expected economic benefits of the MVP. The forward-looking statements included in this news release are subject to risks and uncertainties that could cause actual results to differ materially from projected results. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Mountain Valley Pipeline, LLC has based these forward-looking statements on current expectations and assumptions about future events. While Mountain Valley Pipeline, LLC considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory, and other risks and uncertainties, most of which are difficult to predict and are beyond its control. The risks and uncertainties that may affect the operations, performance, and results of Mountain Valley Pipeline, LLC and forward-looking statements include, but are not limited to:

The business, financial condition, results of operations and prospects could suffer if Mountain Valley Pipeline, LLC does not proceed with projects under development or is unable to complete the construction of, or capital improvements to, its facilities on schedule or within budget.

The ability to complete construction of, and capital improvement to, facilities on schedule and within budget may be adversely affected by escalating costs for materials and labor and regulatory compliance, inability to obtain or renew necessary licenses, rights-of-way, permits or other approvals on acceptable terms or on schedule, disputes involving contractors, labor organizations, landowners, governmental entities, environmental groups, Native American and aboriginal groups, and other third parties, negative publicity, transmission interconnection issues, and other factors. If any development project or construction or capital improvement project is not completed, is delayed or is subject to cost overruns, certain associated costs may not be approved for recovery or recoverable through regulatory mechanisms that may otherwise be available, and Mountain Valley Pipeline, LLC could become obligated to make delay or termination payments or become obligated for other damages under contracts, could experience the loss of tax credits or tax incentives, or delayed or diminished returns, and could be required to write-off all or a portion of its investment in the project. Any of these events could have a material adverse effect on Mountain Valley Pipeline, LLC's business, financial condition, results of operations and prospects.

Mountain Valley Pipeline, LLC may face risks related to project siting, financing, construction, permitting, governmental approvals and the negotiation of project development agreements that may impede its development and operating activities.

Mountain Valley Pipeline, LLC must periodically apply for licenses and permits from various local, state, federal and other regulatory authorities and abide by their respective conditions. Should Mountain Valley Pipeline, LLC be unsuccessful in obtaining necessary licenses or permits on acceptable terms, should there be a delay in obtaining or renewing necessary licenses or permits or should regulatory authorities initiate any associated investigations or enforcement actions or impose related penalties or disallowances on Mountain Valley Pipeline, LLC, Mountain Valley Pipeline, LLC's business, financial condition, results of operations and prospects could be materially adversely affected. Any failure to negotiate successful project development agreements for new facilities with third parties could have similar results.

Mountain Valley Pipeline, LLC's gas infrastructure facilities and other facilities are subject to many operational risks. Operational risks could result in, among other things, lost revenues due to prolonged outages, increased expenses due to monetary penalties or fines for compliance failures, liability to third parties for property and personal injury damage, a failure to perform under applicable sales agreements and associated loss of revenues from terminated agreements or liability for liquidated damages under continuing agreements. The consequences of these risks could have a material adverse effect on Mountain Valley Pipeline, LLC's business, financial condition, results of operations and prospects.

Uncertainties and risks inherent in operating and maintaining Mountain Valley Pipeline, LLC's facilities include, but are not limited to, risks associated with facility start-up operations, such as whether the facility will achieve projected operating performance on schedule and otherwise as planned.

Mountain Valley Pipeline, LLC's business, financial condition, results of operations and prospects can be materially adversely affected by weather conditions, including, but not limited to, the impact of severe weather.

Threats of terrorism and catastrophic events that could result from terrorism, cyber-attacks, or individuals and/or groups attempting to disrupt Mountain Valley Pipeline, LLC's business, or the businesses of third parties, may materially adversely affect Mountain Valley Pipeline, LLC's business, financial condition, results of operations and prospects.

Any forward-looking statement speaks only as of the date on which such statement is made and Mountain Valley Pipeline, LLC does not intend to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise.

### **Forward-Looking Statements of RGC Resources, Inc.**

The statements in this release regarding RGC Resources, Inc. (the "company") that are not historical facts constitute "forward-looking statements" made pursuant to the safe harbor provision of the Private Securities Litigation Reform Act of 1995 that involve risks and uncertainties. These statements include the company's expectations regarding expanding its customer base and access to its natural gas system, enhancing reliability of its natural gas system and strengthening natural gas supply. Management cautions the reader that these forward-looking statements are only predictions and are subject to a number of both known and unknown risks and uncertainties, and actual results, performance, and/or achievements of the company may differ materially from the future results, performance, and/or achievements expressed or implied by these forward-looking statements as a result of a number of factors. These factors include, without limitation, failure or delay of the MVP to be brought into service or failure of demand for natural gas, those risks and uncertainties described above for Mountain Valley Pipeline, LLC, and those risks and uncertainties set forth in the company's periodic reports and other filings with the Securities and Exchange Commission. Such filings are available at the SEC's website at [www.sec.gov](http://www.sec.gov) and at the company's website at [www.rgcresources.com](http://www.rgcresources.com). The statements made in this release are based on information available to the company as of the date of this release and the company undertakes no obligation to update any of the forward-looking statements after the date of this release.

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