

ECONOMIC BENEFITS OF THE MVP PROJECT TO SUMMERS COUNTY

Introduction

The proposed Mountain Valley Pipeline (MVP) project is a natural gas pipeline that would span approximately 300 miles from the north of West Virginia to the south of Virginia. In West Virginia, it would pass through eleven counties – Wetzel, Harrison, Doddridge, Lewis, Braxton, Webster, Nicholas, Greenbrier, Fayette, Summers, and Monroe. The following describes the benefits to West Virginia and Summers County due to construction spending, ad valorem taxes, and direct use of natural gas.

Construction Benefits

The MVP project developers are expected to spend over \$811 million on West Virginia-based labor, goods, and services from 2015 to 2018 to support construction of the project. This direct spending would add \$594 million in cumulative gross regional product to West Virginia during that period and up to 4,500 jobs in 2017 and 2018 during the peak of construction. With its existing operations in gas production, Summers County could contribute labor and other resources to the construction effort.

Pipeline Operation Benefits

Ongoing operation of the pipeline would support a total of 54 jobs across the state with average annual wages and benefits of \$65,000.

Ad Valorem Tax Benefits

The MVP project could generate up to \$890,000 in annual county ad valorem taxes (property taxes) once the pipeline is in service.

Direct-Use Benefits

Residential, Commercial, and Municipal

Less than 20% of the residents in Summers County use natural gas for home space heating needs, and this usage is mainly in the Hinton area. The rest of the county primarily uses electricity due to a lack of natural gas infrastructure.

Native gas production wells deliver a large portion of gas supply in the county, but have been declining for years. The MVP project could provide additional gas supply as native production declines.

The MVP project also could create a savings opportunity for consumers if they were to switch to natural gas. Delivered natural gas prices in 2014 were less than half the cost of electricity prices. This could be a boon in the developing northeastern part of the county near Alderson, where the planned MVP route would be less than 6 miles away.

Manufacturing and Gas Development

The county's manufacturing sector is small; however, the MVP project could help attract new manufactures to the county.

Transportation

Fuel switching in municipal and private vehicle fleets presents a savings opportunity to the community. There are estimated to be approximately 90 school buses, other school vehicles, solid waste disposal trucks, and county vehicles, which if converted from gasoline and diesel, would yield approximately \$8,000 in annual savings. These savings could rise significantly if fuel prices rise.