

ECONOMIC BENEFITS OF THE MVP PROJECT TO LEWIS COUNTY

Introduction

The proposed Mountain Valley Pipeline (MVP) project is a natural gas pipeline system 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 – Wetzell, Harrison, Doddridge, Lewis, Braxton, Webster, Nicholas, Greenbrier, Fayette, Summers, and Monroe. The following describes the benefits to West Virginia and Lewis 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 the 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 established natural gas production and manufacturing base, Lewis 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 \$2.0 million in annual county ad valorem taxes (property taxes) once the pipeline is in service.

Direct-Use Benefits

Residential, Commercial, and Municipal

Just over 70% of Lewis County's residents use natural gas as their primary source for home space heating. Commercial and municipal gas usage typically follows the same pattern. Native production wells provide a large portion of gas supply to the county's consumers.

Manufacturing and Gas Production

The manufacturing sector employs around 200 people or only 3% of the workforce in Lewis County, with Viking Pools being the main employer in the sector. The MVP project could provide opportunities for re-investment in the county's manufacturing sector as it would bring increased supply of affordable fuel.

The recent boon in natural gas production, with expansions by companies like Nexus Drilling, Chesapeake Energy, Superior Well Services, has helped to offset the declining manufacturing sector. The project could allow for further growth in natural gas production, giving developers an outlet to major markets along the MVP route and in the Southeast.

Transportation

Fuel switching in municipal and private vehicle fleets presents a sizable 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 \$67,000 in annual savings. These savings could increase significantly if fuel prices rise.



CRITICAL THINKING
AT THE CRITICAL TIME™

About FTI Consulting

FTI Consulting, Inc. is a global business advisory firm dedicated to helping organizations protect and enhance enterprise value in an increasingly complex legal, regulatory and economic environment. FTI Consulting professionals, who are located in all major business centers throughout the world, work closely with clients to anticipate, illuminate and overcome complex business challenges in areas such as investigations, litigation, mergers and acquisitions, regulatory issues, reputation management and restructuring.

www.fticonsulting.com