

ECONOMIC BENEFITS OF THE MVP PROJECT TO PITTSYLVANIA 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 Virginia, it would pass through six southwestern counties – Giles, Craig, Montgomery, Roanoke, Franklin, and Pittsylvania. The following describes the benefits to Virginia and Pittsylvania County from construction spending, pipeline operations, ad valorem taxes, and direct supply of natural gas.

Construction Benefits

The MVP project developers are expected to spend over \$400 million on Virginia-based labor, goods, and services from 2015 to 2018 to support construction of the project. This direct spending would add \$369 million in cumulative gross regional product to Virginia during that period and approximately 4,400 jobs in 2018 at the peak of construction. With its established manufacturing base, Pittsylvania County could contribute labor and other resources to the construction effort.

Pipeline Operation Benefits

Ongoing operation of the pipeline would support a total of 34 jobs across the state with average annual wages and benefits of almost \$67,000.

Ad Valorem Tax Benefits

The MVP project could generate up to \$1.2 million in annual county ad valorem taxes (property taxes) once in service.

Direct-Use Benefits

Residential, Commercial, and Municipal

Parts of the county have access to natural gas, but the majority of households (60%) use electricity as their primary fuel source for home heating, while only 4% use natural gas. Gretna is the largest area without natural gas access, and the MVP project could help provide additional supplies to service more customers.

Manufacturing

The manufacturing sector plays an important role in the county's economy. It represents 8% of the jobs in the county and pays, on average, \$43,700 in annual wages per employee, which is 39% higher than the average county wage. Major manufacturers in the county include Amthor International, Elkay Wood Products Company, Owens Brockway Glass, Times Fiber Communication, Swedwood Danville, and Unique Industries. Providing additional supply to county manufacturers via MVP would help ensure reliable access to a low-cost fuel source. Increased supply also would provide opportunities for manufacturing expansions.

Transportation

Fuel switching in municipal and private vehicle fleets presents another possible savings opportunity to the community. There are estimated to be approximately 450 school buses, other school vehicles, solid waste disposal trucks, and county vehicles, which if converted from gasoline and diesel, would yield significant annual savings if fuel prices rise.



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