

ECONOMIC BENEFITS OF THE MVP PROJECT TO CRAIG 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. Under the MVP alternative route in Virginia, the pipeline would pass through six southwestern counties – Giles, Craig, Montgomery, Roanoke, Franklin, and Pittsylvania. For Craig County, the MVP project would represent the first opportunity for natural gas access in the county. The following describes the benefits to Virginia and Craig 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 the 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.

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

Depending on the route selected, the MVP project could generate up to \$103,000 in annual ad valorem (property) taxes for Craig County once in service. This is a conservative estimate since it does not account for real property subject to tax on Federal lands.

Direct-Use Benefits

Residential, Commercial, and Municipal

Craig County has no natural gas access. The majority of the county's households use wood (35%), electricity (34%), and delivered petroleum-based fuels (26%) for home heating. The commercial and municipal sectors consume mainly electricity and petroleum-based fuels for space heating purposes.

The Town of New Castle, which would be 9 to 14 miles from the planned, alternative route, is not served by natural gas. The MVP project could create a savings opportunity for consumers if they were to switch to natural gas. Delivered natural gas prices in 2014 in Virginia were 65% less than the cost of average residential electricity prices in Craig County.

Manufacturing Sector

While there currently is no manufacturing activity in Craig County, the MVP project could help attract new manufacturers to the county as it would provide access to a supply of affordable fuel. The benefits of manufacturing to an economy are clear. In neighboring Giles County, the manufacturing sector employs over 1,000 people, accounting for \$63 million in annual wages or \$63,000 in average annual wages per employee.

Transportation Sector

Fuel switching in municipal and private vehicle fleets presents a possible savings opportunity, but only if a refueling station was shared with Roanoke County along I-81. There are about 15 potential county vehicles, which if converted from gasoline and diesel, would yield about \$60,000 in annual county savings.



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