

ECONOMIC BENEFITS OF THE MVP PROJECT TO FAYETTE 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 Fayette County due to construction spending, pipeline operations, ad valorem taxes, and direct use of natural gas.

Construction Benefits

The MVP project developers are expected to spend \$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 established manufacturing base, Fayette 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 \$840,000 in annual county ad valorem taxes (property taxes) once the pipeline is in service.

Direct-Use Benefits

Residential, Commercial, and Municipal

Natural gas and electricity are the main space and water heating sources in the county. The MVP project could provide additional gas supply to the county. The project also could help enable switching as West Virginia natural gas prices in 2014 were less than half the cost of delivered electricity prices.

Manufacturing and Gas Production

The manufacturing sector employs around 475 people, or 4% of the workforce in the county, and pays, on average, 59% more than the average wage in the county. The largest manufacturer is WVA Manufacturing in Alloy, a joint venture between Globe Specialty Metals and Dow Corning, which produces silicon metals. 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 expansions.

Additionally, the MVP project offers an opportunity to encourage investment in gas production as it would allow producers to move natural gas to major markets along the MVP route and in the Southeast.

Transportation

Fuel switching in municipal and private vehicle fleets presents a potential savings opportunity. For example, there are approximately 70 school buses in the county, which if converted from gasoline and diesel, could yield significant annual savings if the price of fuel rises.



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