

## ECONOMIC BENEFITS OF THE MVP PROJECT TO NICHOLAS 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 Nicholas 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 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 established manufacturing base, Nicholas 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 \$2.2 million in annual county ad valorem taxes (property taxes) once the pipeline is in service.

### Direct-Use Benefits

#### *Residential, Commercial, and Municipal*

While natural gas is available in Summersville and Richwood, Nicholas' residents primarily use electricity (46%) for home heating with only 24% using natural gas. Native production wells provide a large portion of gas supply. The MVP project could provide additional gas supply as native production declines. 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 700 people or 9% of the workforce in the county. It is an important sector as average annual manufacturing wages are 30% higher than the county's average. Major employers include B/E Aerospace and Columbia Forest Products. 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.

The project also could allow for further growth in natural gas production in the county, 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 savings opportunity. There are estimated to be approximately 120 school buses, other school vehicles, solid waste disposal trucks, and county vehicles, which if converted from gasoline and diesel, would yield approximately \$160,000 in annual savings.



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