MVP Southgate Project :: Myth *vs.* Fact

As proposed, the MVP Southgate project is a natural gas pipeline system that spans approximately 73 miles from southern Virginia into central North Carolina – and as an interstate pipeline will be regulated by the Federal Energy Regulatory Commission (FERC). The MVP Southgate project will be developed, constructed, and owned by Mountain Valley Pipeline, LLC (Mountain Valley).

The pipeline will be regulated under the federal Natural Gas Act, which requires a Certificate of Public Convenience and Necessity from the FERC before construction can commence. As currently proposed, the pipeline will be 24 and 16 inches in diameter and will require approximately 50 feet of permanent easement, with up to 100 feet of temporary easement during construction, depending on conditions.

In addition, the current project design will require one compressor station, which is planned at the beginning of the project in Pittsylvania County, Virginia, on land owned by Mountain Valley.

Myth :: The MVP Southgate project is not needed, and an independent study shows there is no additional demand for natural gas in North Carolina.
Fact :: The "independent study" was commissioned by project opponents and contains numerous inaccuracies and errors, resulting in a flawed conclusion [1]. North Carolina's population is growing, and the state projects the population to continue to grow [2]. Additionally, there is consensus among reputable energy research organizations, including the U.S. Energy Information Administration, that the region's demand for natural gas will continue to grow well into the future [3]. PSNC Energy, which has added about 100,000 new customers in North Carolina in the past decade, has signed on as an anchor shipper on the MVP Southgate project in order to meet customer demand for natural gas.

Myth :: Natural gas pipelines and compressor stations are dangerous.
Fact :: Pipeline systems are recognized by the federal government as by far the safest way to transport natural gas [4]. There are 2.4 million miles of natural gas transmission, distribution and gathering pipelines operating in the U.S. Many of these pipelines operate near heavily populated centers. Compressor stations are equipped with emergency shutdown systems and are remotely monitored 24 hours per day, 7 days per week. They also are required to adhere to federal regulations.

Myth :: Solar energy could be used to meet the needs of North Carolinians that the proposed MVP Southgate would serve.
Fact :: PSNC Energy has a long-term need for additional supplies of natural gas to meet consumer demand for natural gas. PSNC Energy is a natural gas distributor, not an electricity generator. Natural gas has multiple uses, including home and business heating, cooking and manufacturing processes. Solar, however, is designed to generate electricity, which is different than the specified needs that the proposed MVP Southgate project and natural gas supplies would serve.

Myth :: Mountain Valley Pipeline, LLC (MVP) is a new entity that has little experience in building pipelines.
Fact :: Each of the partners in the joint venture, Mountain Valley Pipeline, LLC, has extensive experience in building and operating natural gas pipeline systems. The MVP Southgate project would be maintained and operated by EQM Midstream Partners LP, which currently operates approximately 950 miles of FERC-regulated interstate pipeline [6].

Myth :: As a limited liability corporation (LLC), Mountain Valley Pipeline and its member partners wouldn't be held liable if something went wrong on the project.
Fact :: An LLC is a standard business arrangement for all types of businesses, including pipeline joint ventures. This structure limits liability proportionally to each partner's equity stake. Mountain Valley Pipeline, LLC and its member partners maintain a legal obligation to remedy an issue involving the project if they are determined to be liable.

Myth :: Mountain Valley Pipeline, LLC is guaranteed a 14 percent rate of return on the MVP Southgate project.
Fact :: There is no guaranteed rate of return. The Federal Energy Regulatory Commission authorizes a rate of return to be used along with many other inputs in calculating the cost of service and rates for the project. FERC's approval of a rate of return for ratemaking purposes does not mean the pipeline actually makes that rate [7].

Myth :: Landowners could be on the hook for back taxes if the MVP Southgate project is built on their tax credit-eligible lands.
Fact :: Mountain Valley is committed to providing landowners fair compensation for use of property for this project. Any potential forestry and land tax credit implications for the landowner would be addressed during negotiations for an easement, and would be designed to make sure the landowner is treated fairly.

Myth :: Blasting and drilling during construction of the MVP Southgate project will contaminate drinking wells.
Fact :: These are common processes that are highly regulated and performed by trained professionals without impact to drinking water supplies. For example, municipalities and public water authorities have incorporated blasting for installation of water and sewer pipelines. Additives used in drilling mud for the MVP Southgate project will comply with NSF/ANSI Standard 60, which is the same accreditation used to certify additives for drilling water wells and ensures no harm to local drinking water supplies.

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The MVP Southgate project is being constructed by Mountain Valley Pipeline, LLC. The project is a private joint venture of EQM Midstream Partners, LP; NextEra US Gas Assets, LLC; Con Edison Transmission, Inc.; WGL Midstream; RGC Midstream, LLC; and PSNC Energy.

EQM Midstream Partners, LP; NextEra US Gas Assets, LLC; Con Edison Transmission, Inc.; WGL Midstream; and RGC Midstream, LLC, are also currently constructing the Mountain Valley Pipeline (MVP), which is a separate natural gas infrastructure project that is routed 303 miles through West Virginia and Virginia. The MVP project underwent FERC regulatory review, under a separate FERC docket number, for more than three years before receiving its Certificate of Public Convenience and Necessity in October 2017.

1. Answer of MVP LLC to comments on DEIS, FERC Docket No. CP16-10-000, Feb. 3, 2017: *https://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20170203-5263*
2. North Carolina Office of State Budget and Management population projections: *https://files.nc.gov/ncosbm/demog/countytotals_populationoverview.html*
3. Answer of MVP LLC to comments on DEIS, FERC Docket No. CP16-10-000, Feb. 3, 2017: *https://elibrary.ferc.gov/idmws/file_list.asp?accession_num=20170203-5263*
4. Pipeline and Hazardous Materials Safety Administration: *https://www.phmsa.dot.gov/faqs/general-pipeline-faqs*
5. U.S. Energy Information Administration: *https://www.eia.gov/tools/faqs/faq.php?id=427&t=3*
6. EQM Midstream Partners: *https://www.eqm-midstreampartners.com/about-us/home*
7. FERC cost-of-service manual: *https://www.ferc.gov/industries/gas/gen-info/cost-of-service-manual.doc*