



Mountain Valley Pipeline, LLC, Files Formal Application Requesting FERC Authorization To Construct MVP Southgate Interstate Natural Gas Pipeline

- *Delivery points provide additional natural gas supply to PSNC Energy, a local distribution company serving North Carolina residents and businesses*
- *Proposed route incorporates landowner considerations and addresses concerns brought forth during the pre-filing process*
- *The project is designed to provide natural gas access to existing, expanding and new markets in southern Virginia and central North Carolina*
- *The project has the support of the Virginia Chamber of Commerce, the North Carolina Chamber of Commerce, the North Carolina Economic Development Association, and other organizations*
- *More than half of the proposed route (54 percent) is co-located with existing infrastructure rights-of-way in order to minimize impacts on landowners and the environment*

PITTSBURGH, PA (November 6, 2018) – Mountain Valley Pipeline, LLC, today formally applied to the Federal Energy Regulatory Commission (FERC) for authorization to build the MVP Southgate project, a proposed interstate natural gas transmission pipeline designed to provide reliable, cost-effective access to natural gas to meet increasing residential and commercial demand in central North Carolina.

Mountain Valley Pipeline, LLC, will construct and own the proposed MVP Southgate, which is a joint venture between EQM Midstream Partners, LP (NYSE: EQM); affiliates of NextEra Energy, Inc. (NYSE: NEE); Consolidated Edison, Inc. (NYSE: ED); and RGC Resources, Inc. (NASDAQ: RGCO); WGL Midstream, Inc.; and PSNC Energy. EQM Midstream Partners will operate the pipeline and own the largest interest in the joint venture. Mountain Valley Pipeline, LLC, and PSNC Energy have entered into binding long-term agreements that make PSNC Energy an anchor shipper for the project, and Mountain Valley Pipeline, LLC, continues discussions with other potential customers. MVP Southgate will tie into the Mountain Valley Pipeline near Chatham, Virginia, and transport supplies of Marcellus and Utica natural gas to delivery points in Rockingham and Alamance counties in North Carolina for distribution to PSNC Energy's residential and commercial customers. As currently proposed, the MVP Southgate project is approximately 73 miles long; pending regulatory approval, construction is anticipated to begin in the first quarter 2020, with a full in-service date targeted for the fourth quarter 2020.

Through this certificate application filing, the FERC is being asked to certify the public convenience and necessity of the MVP Southgate project. The FERC, together with cooperating agencies, will conduct a detailed review and evaluation of a broad number of subjects, including public safety; water resources; air

quality; wildlife, soils, and vegetation; protected species; cultural and historic resources; sound levels; alternatives; and economic benefits.

On May 15, 2018, the FERC granted authorization to begin the pre-filing process for the MVP Southgate project. During the past six months, the MVP Southgate team has conducted three open houses, in addition to participating in three scoping meetings hosted by the FERC, all aimed at encouraging an open dialogue with community members, landowners, and public agencies in order to receive comments and feedback on the MVP Southgate project. On Sept. 24, Mountain Valley Pipeline, LLC, provided responses to scoping comments in a filing to the FERC.

The certificate application is a collection of information gathered before and during the FERC pre-filing process. This comprehensive set of documentation includes extensive research from environmental, geological, and economic studies conducted by the MVP Southgate project team and outside experts, as well as intelligence gathered during discussions with landowners along the route, local elected officials and others.

The MVP Southgate project team considered a wide range of alternatives and variations to the proposed route, and made 191 route adjustments in response to feedback collected during the pre-filing process. The proposed route identified in the application encompasses these various revisions, which include the protection of streams, wetlands, and cultural resources, as well as the avoidance of, or minimization of impacts to, several sensitive areas. Examples of such adjustments include:

- Reduction in temporary right-of-way width from 100' to 75' at wetland and waterbody crossings
- Proposal to cross Cascade Creek, Wolf Island Creek, and Deep Creek via conventional bore based on recommendations from the U.S. Fish and Wildlife Service
- Reduction in the number of proposed compressor stations from two to one

"We appreciate the many landowners, elected leaders, officials at every level of government, and other stakeholders who provided important feedback that helped us design the proposed route," said Diana Charletta, chief operating officer of EQM Midstream Partners, LP, operator of the proposed pipeline. "We are committed to building and operating a state-of-the-art pipeline that serves public demand for clean-burning, affordable, domestic natural gas."

The MVP Southgate project's primary objective is to serve customers of PSNC Energy, a local distribution company in North Carolina. The partnership with PSNC Energy is designed to strengthen the reliability of natural gas service in central North Carolina. Additionally, other markets along the project area will have the ability to access the MVP Southgate project, which in turn could attract manufacturing opportunities to the area. Having a safe, reliable source of natural gas is important to secure industry growth and stimulate job creation and spending throughout the region.

"Over the past decade, PSNC Energy has added more than 100,000 new natural gas customers," said Rusty Harris, president and chief operating officer of PSNC Energy. "We are committed to ensuring the highest levels of service to the homes and businesses that rely on natural gas for heating, cooking and other uses, and the MVP Southgate project offers the most efficient and cost-effective way to enhance reliability and provide the diversity of supply needed to meet our customers' needs."

Gary Salamido, chief operating officer and acting president of the NC Chamber, said, "The NC Chamber supports the MVP Southgate project because it will improve access to affordable natural gas and help strengthen North Carolina's reputation as a leading place in the world to do business. Many employers

rely on natural gas to fuel their operations and the construction of the MVP Southgate project will bolster efforts to attract and retain businesses in North Carolina.”

Barry DuVal, president of the Virginia Chamber of Commerce, also endorsed the project, stating “Time and again we hear from manufacturers and other large companies that the availability of natural gas is a critical component in the site selection process. The Southern Virginia Mega Site at Berry Hill is the commonwealth’s biggest business park, and the MVP Southgate project’s proximity to that site offers tremendous long-term economic development opportunities. The Virginia Chamber fully supports the project and the potential benefits its construction and operation could bring.”

From an economic benefits perspective, the MVP Southgate project is expected to bring significant benefits to Virginia and North Carolina, and the counties along its route, based on findings from FTI Consulting, Inc. (FTI), the company that managed and produced the MVP Southgate project economic benefits report. FTI took a conservative approach to estimating the state-level impacts related to the MVP Southgate. The MVP Southgate project estimates:

- Spending \$68 million in Virginia and \$113 million in North Carolina on labor, equipment, materials, acquisition and services
- Employment at the peak of construction to support 570 jobs in Virginia and 1,130 jobs in North Carolina, including direct, indirect, and induced jobs
- Annual MVP Southgate ad valorem taxes for Virginia are estimated at about \$1.2 million once the pipeline is operational, and about \$3.4 million in North Carolina once the project is operational
- State and local tax revenues generated during pre-construction and construction are an estimated \$4.1 million in Virginia and \$6.3 million in North Carolina (e.g., sales, use, income, property, and other tax categories)

The application and resource reports, along with proposed route maps, are available on the MVP Southgate website (www.mvpsouthgate.com); and paper copies will be placed in public libraries or community buildings located in counties along the proposed route.

About MVP Southgate

The MVP Southgate is a proposed underground, interstate natural gas pipeline system that spans approximately 73 miles from southern Virginia to central North Carolina. The MVP Southgate is subject to approval and regulatory oversight by the Federal Energy Regulatory Commission. Mountain Valley Pipeline, LLC, will construct and own the proposed MVP Southgate, which is a joint venture between EQM Midstream Partners, LP (NYSE: EQM); affiliates of NextEra Energy, Inc. (NYSE: NEE); Consolidated Edison, Inc. (NYSE: ED); and RGC Resources, Inc. (NASDAQ: RGCO); WGL Midstream, Inc.; and PSNC Energy. The MVP Southgate was designed to transport clean-burning natural gas from the prolific Marcellus and Utica shale regions to the growing demand markets in southern Virginia and central North Carolina. Targeting a full in-service of late 2020, EQM Midstream Partners, the largest interest owner, will operate the pipeline. From planning and development, to construction and in-service operation – the MVP Southgate team is dedicated to the safety of its communities, employees, and contractors; and to the preservation and protection of the environment. Visit www.mvpsouthgate.com

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Cautionary Statements:

Disclosures in this news release contain certain forward-looking statements that do not relate strictly to historical or current facts and are forward-looking. Without limiting the generality of the foregoing, forward-looking statements contained in this news release specifically include the expectations of plans, strategies, objectives and growth, and anticipated financial and operational performance of Mountain Valley Pipeline, LLC, including guidance regarding the proposed MVP Southgate project and joint venture, such as the projected length of the MVP Southgate; the MVP Southgate's expected interconnections with facilities and pipelines; the timing of development and construction for the MVP Southgate; the estimated cost of the MVP Southgate; the expected in-service date for the MVP Southgate; and the expected economic benefits of the MVP Southgate. The forward-looking statements included in this news release are subject to risks and uncertainties that could cause actual results to differ materially from projected results. Accordingly, investors should not place undue reliance on forward-looking statements as a prediction of actual results. Mountain Valley Pipeline, LLC has based these forward-looking statements on current expectations and assumptions about future events. While Mountain Valley Pipeline, LLC considers these expectations and assumptions to be reasonable, they are inherently subject to significant business, economic, competitive, regulatory, and other risks and uncertainties, most of which are difficult to predict and are beyond its control. The risks and uncertainties that may affect the operations, performance, and results of Mountain Valley Pipeline, LLC and forward looking statements include, but are not limited to:

The business, financial condition, results of operations and prospects could suffer if Mountain Valley Pipeline, LLC does not proceed with projects under development or is unable to complete the construction of, or capital improvements to, its facilities on schedule or within budget.

The ability to complete construction of, and capital improvement to, facilities on schedule and within budget may be adversely affected by escalating costs for materials and labor and regulatory compliance, inability to obtain or renew necessary licenses, rights-of-way, permits or other approvals on acceptable terms or on schedule, disputes involving contractors, labor organizations, landowners, governmental entities, environmental groups, Native American and aboriginal groups, and other third parties, negative publicity, transmission interconnection issues, and other factors. If any development project or construction or capital improvement project is not completed, is delayed or is subject to cost overruns, certain associated costs may not be approved for recovery or recoverable through regulatory mechanisms that may otherwise be available, and Mountain Valley Pipeline, LLC could become obligated to make delay or termination payments or become obligated for other damages under contracts, could experience the loss of tax credits or tax incentives, or delayed or diminished returns, and could be required to write-off all or a portion of its investment in the project. Any of these events could have a material adverse effect on Mountain Valley Pipeline, LLC's business, financial condition, results of operations and prospects.

Mountain Valley Pipeline, LLC may face risks related to project siting, financing, construction, permitting, governmental approvals and the negotiation of project development agreements that may impede its development and operating activities.

Mountain Valley Pipeline, LLC must periodically apply for licenses and permits from various local, state, federal and other regulatory authorities and abide by their respective conditions. Should Mountain Valley Pipeline, LLC be unsuccessful in obtaining necessary licenses or permits on acceptable terms, should there be a delay in obtaining or renewing necessary licenses or permits or should regulatory authorities initiate any associated investigations or enforcement actions or impose related penalties or disallowances on Mountain Valley Pipeline, LLC, Mountain Valley Pipeline, LLC's business, financial condition, results of operations and prospects could be materially adversely affected. Any failure to negotiate successful project development agreements for new facilities with third parties could have similar results.

Mountain Valley Pipeline, LLC's gas infrastructure facilities and other facilities are subject to many operational risks. Operational risks could result in, among other things, lost revenues due to prolonged outages, increased expenses due to monetary penalties or fines for compliance failures, liability to third parties for property and personal injury damage, a failure to perform under applicable sales agreements and associated loss of revenues from terminated agreements or liability for liquidated damages under continuing agreements. The consequences of these risks could have a material adverse effect on Mountain Valley Pipeline, LLC's business, financial condition, results of operations and prospects.

Uncertainties and risks inherent in operating and maintaining Mountain Valley Pipeline, LLC's facilities include, but are not limited to, risks associated with facility start-up operations, such as whether the facility will achieve projected operating performance on schedule and otherwise as planned.

Mountain Valley Pipeline, LLC's business, financial condition, results of operations and prospects can be materially adversely affected by weather conditions, including, but not limited to, the impact of severe weather.



Threats of terrorism and catastrophic events that could result from terrorism, cyber-attacks, or individuals and/or groups attempting to disrupt Mountain Valley Pipeline, LLC's business, or the businesses of third parties, may materially adversely affect Mountain Valley Pipeline, LLC's business, financial condition, results of operations and prospects.

Any forward-looking statement speaks only as of the date on which such statement is made and Mountain Valley Pipeline, LLC does not intend to correct or update any forward-looking statement, whether as a result of new information, future events or otherwise.