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Equitrans plans capacity expansion on Mountain Valley Pipeline

By Paul J. Gough - Reporter, Pittsburgh Business Times

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As Equitrans Midstream Corp. nears the final pieces it needs to finish construction on the Mountain Valley Pipeline, it's already looking ahead to an expansion that would boost the amount of natural gas it can bring through the pipe.

Equitrans (NYSE: ETRN) said it was looking at an expansion that would add an estimated 500 million cubic feet per day. It would be a significant expansion of the 2 billion cubic feet per day capacity on the 303-mile pipeline from Wetzel County in northern West Virginia to Pittsylvania County in southwestern Virginia.

The expansion would be accomplished by increasing the amount of compression on the Mountain Valley Pipeline and not by building a second pipe. Compression is the pressure that is applied to flow the natural gas through the pipeline to its destination, and it would be accomplished by adding new compression sites as well as adding horsepower at existing sites. The expansion would cost between \$400 million and \$500 million, of which Equitrans as operator and a majority owner would be responsible for \$200 million.

"It's not something that would require financing," said Equitrans CEO <u>Tom</u> <u>Karam</u>. "We have ample liquidity to fund that."

The news of the potential expansion comes at a time when the momentum bas been building toward completing the Mountain Valley Pipeline, a \$5.3 billion pipeline that has been delayed for various reasons since it was first proposed in 2014. A Supreme Court ruling in June cleared the way for an approval from the U.S. Forest Service on a right of way through the Jefferson National Forest and a new biological opinion from the U.S. Fish and Wildlife Service is also expected, which in hand would likely give the Federal Energy Regulatory Commission reason to lift the construction halt. Equitrans also needs permission from the U.S. Park Service, which is likely forthcoming.

Then it would have only a small portion of the pipeline remaining to complete before putting it into service. A 3.7-mile stretch will be completed once Equitrans receives another key permit, called the Nationwide 12, in the fourth quarter. "We remain confident that we will get MVP over the goal line in early 2021," Karam said.

Equitrans said that total project cost for MVP was expected to be \$5.4 billion.

With this summer's demise of the Atlantic Coast Pipeline, it's likely the Mountain Valley Pipeline will be able to sell any extra capacity that it will have due to expansion of compression as well as a planned MVP Southgate line into North Carolina.

"We believe there is a significant amount of demand for gas in the southeast and we believe MVP will provide a critical role in meeting this demand," said President <u>Diana Charletta</u>.