

Dominion Resources pipeline project a ‘game changer’ for Virginia’s economy, governor says

- [Peter Bacque](#)
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Virginia Governor Terry McAuliffe, left, leads applause during an announcement at the State Capitol in Richmond, VA Tuesday, Sept. 2, 2014, of a major gas pipeling through parts of Virginia, West Virginia and NorthCarolina. He was accompanied by Virginia Natural Gas Chairman Hank Linginfelter, partially hidden, right, and Dominion Resources CEO Tom Farrell, second from right. BOB BROWN/Times-Dispatch

Dominion Resources Inc. will form a joint venture with three other major energy companies to build and own a \$4.5 billion to \$5 billion, 550-mile natural gas pipeline from West Virginia through Virginia and into North Carolina.

The proposed project would be “a game changer” for Virginia industry and homeowners, Gov. Terry McAuliffe said Tuesday at a standing-room-only announcement in the Capitol. “It will spur economic growth in all parts of the commonwealth.”

The Atlantic Coast Pipeline immediately drew wide business and bipartisan political support, and just as quickly attracted vociferous environmental opposition.

“The new abundance of natural gas will empower Virginia businesses to expand, as well as help recruit new businesses and manufacturers to the commonwealth,” said **Virginia Chamber of Commerce** President Barry DuVal.

But Mike Tidwell with the **Chesapeake Climate Action Network** said, “Governor McAuliffe has made a huge mistake that harms the environment.” And a group of residents in Nelson County vowed to fight the pipeline until the project is dead.

Pipeline: pro and con

A look at what politicians and environmentalists are saying about the proposed \$5 billion pipeline.

The pipeline, for instance, would have to cross two national forests, as well as the Blue Ridge Parkway and the Appalachian Trail.

Originally called the **Southeast Reliability Project**, the interstate pipeline project will be “an energy superhighway,” McAuliffe said.

The line would have an initial capacity of 1.5 billion cubic feet per day and a target in-service date of late 2018, officials said. The capacity could be increased to about 2 billion cubic feet a day.

The pipeline would have a \$1.4 billion economic development impact in Virginia, creating 8,800 jobs — including 5,000 directly related to construction — and produce \$14.6 million in revenue for the state, the governor said.

Richmond-based **Dominion Resources**, parent company of Dominion Virginia Power, are joining **Duke Energy**, **Piedmont Natural Gas** and **AGL Resources** to build and own the pipeline.

“The Atlantic Coast Pipeline is a transformational project for our region,” said Thomas F. Farrell II, Dominion Resources’ chairman, president and CEO, in a joint statement with Lynn J. Good of Duke Energy, Thomas E. Skains of Piedmont Natural Gas and John W. Somerhalder II of AGL Resources, chief executives of the partners.

“Natural gas is increasingly important for advanced electricity generation, contributing to significantly lower greenhouse gas and other emissions,” they said. “The project will also provide more reliable access to new sources of natural gas, keeping consumers’ energy costs down — even during the coldest and hottest weather.”

Dominion Resources would own 45 percent of the joint venture; Duke Energy, 40 percent; Piedmont, 10 percent; and AGL Resources, 5 percent.

Dominion Resources would finance its share of the project with equity, cash and debt, company spokesman Jim Norvelle said. “The exact financing will be determined later.”

Subsidiaries and affiliates of the four venture partners, plus PSNC Energy, plan to be customers of the pipeline under 20-year contracts, depending on regulatory approvals.

Dominion Resources has begun surveying to determine the route. The company said it seeks one that “meets operational and reliability needs while minimizing the impact on the environment, as well as historical and cultural resources.”

The company plans to make a pre-filing request with the Federal Energy Regulatory Commission this fall on behalf of the partners. Dominion Resources said it expects to file its FERC application next summer, receive the FERC certificate of public convenience and necessity in the summer of 2016, and begin construction shortly after that.

FERC coordinates reviews and approvals from federal agencies, but the pipeline also would be subject to state and local requirements, such as permits to cross streams and build compressor stations.

[PDF: Proposed pipeline's path through Virginia](#)

Environmentalists took immediate issue with the project. It comes against a background of the debate over global carbon emissions and climate change, lingering economic trouble and higher U.S. energy production.

The governor “has regrettably embraced a Dominion gas pipeline project that threatens to contribute significantly to the climate crisis,” said Tidwell with the Chesapeake Climate Action Network.

The pipeline “would incentivize more fracking across the region and contribute to emissions of methane, a powerful heat-trapping gas which, according to growing scientific data, could disrupt the climate on par with coal.”

“This pipeline is not in the public interest,” said Ernie Reed with **Friends of Nelson**, an opposition group in Nelson County. “It is purely a speculative venture to profit from the massive increase in natural gas supplies due to highly controversial hydraulic fracturing or ‘fracking.’”

“We, along with our partners in the counties along the route, intend to fight the pipeline until the project is dead,” Reed said.

The project has already drawn strong opposition in Nelson, where about 35 miles of the pipeline would run. Homes and businesses along state Route 151 sport blue placards that say, “No pipeline.”

As planned, the project “cannot be built without significant long-term environmental damage to a special region that we should be working to protect,” said Monterey resident Rick Webb.

McAuliffe received election support from Virginia environmental groups, but after the pipeline announcement Tuesday, Glen Besa, Virginia director of the **Sierra Club**, said: “I feel like I’ve been punched in the gut.”

On July 8, the Nelson Board of Supervisors officially asked Dominion Resources not to survey for the pipeline in the county until the company had addressed its concerns.

Company officials met with the Nelson board Aug. 12. The company plans to begin surveying in the county by the end of the month.

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The partnership, called Atlantic Coast Pipeline LLC, would own the pipeline. It is designed in part to meet the needs identified in requests for proposals in April by Duke Energy and Piedmont, and in June by Virginia Power Services Energy.

Gas would be carried through a 42-inch-wide pipe in Virginia and West Virginia, and a 36-inch-wide pipe in North Carolina.

The line would deliver gas to growing markets in Virginia and North Carolina, providing new direct access to the Marcellus and Utica gas shale basins of West Virginia, Pennsylvania and Ohio.

The production of shale gas has rejuvenated the industry in the United States, according to the U.S. Energy Information Administration. About 25 percent of energy used in the United States came from natural gas in 2012.

Natural gas is used to produce steel, glass, paper, clothing, brick and electricity, and is an essential raw material for paints, fertilizer, plastics, antifreeze, dyes, medicines and explosives, the energy agency said.

Slightly more than half of U.S. homes burn natural gas as their main heating fuel. Natural gas also fuels residential stoves, water heaters, clothes dryers and other household appliances.

The pipeline would begin in Harrison County, W.Va., and stretch to Robeson County, N.C. A spur would go east to Chesapeake.

In Virginia, the project's main line would run through 10 counties: Highland, Augusta, Nelson, Buckingham, Cumberland, Prince Edward, Nottoway, Dinwiddie, Brunswick and Greenville. The Chesapeake spur would pass through Greenville and Southampton counties and the cities of Suffolk and Chesapeake.

Buckingham and Prince Edward have passed resolutions of support for the line.

Gov. Pat McCrory, R-N.C., and Gov. Earl Ray Tomblin, D-W.Va., also backed the project Tuesday.

The pipeline would cross the Monongahela and George Washington national forests, the Blue Ridge Parkway and the Appalachian Trail. Each of the four entities would have to approve the route.

Information from the George Washington National Forest about the habitat of the Cow Knob salamander led the company to reroute part of the pipeline in Augusta, Norvelle said.

About 2,950 miles of natural gas transmission pipelines run in Virginia.