

From: Susan A King (Services - 6) [<mailto:susan.a.king@dom.com>]
Sent: Tuesday, January 19, 2016 3:35 PM
To: Steve Carter
Cc: Candy McGarry
Subject: Thank You: Nelson County Meeting Follow up

Good afternoon,

From the ACP team, thank you again for the opportunity to address the Nelson County board. As Brian indicated, we remain committed to open discussion with the county staff and board and other stakeholders. As we've said from the beginning of this project, pipeline routing and engineering is an iterative process. With every conversation with landowners, agencies and localities, we are better able to identify the best possible route that minimizes impacts to landowners and the environment.

We also appreciate the opportunity to hear again from Nelson residents. However, I would like to correct a couple of misconceptions that were put forth during the public comment session:

1. Water used for hydrostatic testing will be tested before being discharged:

After hydrostatically testing the pipeline sections to make sure they are free from leaks and will provide the required margin of safety at operating pressures, the test water **will be tested** and discharged in accordance with all applicable permits through an approved structure to remove turbidity or suspended sediments (i.e., dirt left in the pipe during construction) and prevent scour and erosion. Alternatively, the water will be hauled offsite for disposal at an approved location.

It's important to note that ACP will act in accordance with all state regulations and required permits for the gathering of local water sources, and water will be transferred from one test section to another to reduce the amount that is required for testing.

2. ACP will not require additional compressor stations, should additional capacity be needed:

Contrary to what was heard at the meeting – that expansion would require 15 additional compressor stations – ACP anticipates that expansion could be accomplished by installing additional compression on the ACP system and without adding new mainline facilities.

The commenter was drawing from analysis of a "single pipeline option," which is included in Resource Report 10 (alternatives), related to the combining of both ACP and MVP projects between the first and second compressor stations (Harrison County, WVA and Buckingham County, VA). Many stakeholders have suggested this as a viable alternative to building both pipelines.

ACP has evaluated and dismissed this alternative because it would more than double the number of new compressor stations and increase the total compression by almost 102 percent (674,545 hp versus 334,705 hp). It would also require another 46 miles of 42-inch pipeline upstream of the proposed compressor station in Harrison County, WVA.

3. Dominion will conduct air emissions testing, as required by DEQ, at the proposed Buckingham compressor station:

As the owner/operator of the proposed Buckingham station, Dominion will be required by Virginia Department of Environmental Quality to conduct testing of air emissions (exhaust from turbines and generators) during the first year of operation and then every other year for the turbines thereafter.

3. ACP will not export gas overseas. It is being built to serve electric and gas customers in Virginia and North Carolina:

As ACP has stated on many occasions, 96 percent of ACP's capacity is under contract to utilities in Virginia and North Carolina to provide a much-needed supply of natural gas to generate electricity for millions of residential and industrial customers. The need for this gas is domestic, not overseas.

4. One additional question posed by board chair, Allen Hale, was in regards to how with ACP's \$5.5 billion investment and frozen rates, will VA customers see energy savings.

The Atlantic Coast Pipeline, LLC, is a separate company from Dominion Virginia Power. The cost of the ACP project is recovered through long-term agreements with the customers of the pipeline (Virginia Power Services, Inc., which buys fuel for the Dominion Virginia Power electric-generating power stations; Duke Energy Progress, Inc.; Duke Energy Carolinas, LLC; Piedmont Natural Gas Company, Inc.; Public Service Company of North Carolina, Inc.; and Virginia Natural Gas, Inc.).

ICF estimates that ACP will produce an average of \$377 million in annual consumer cost savings for electricity consumers over the 20-year analysis period. **These sums are net of the cost of constructing and operating the pipeline.**

Electric utility customers in Virginia would see savings through the fuel portion of their electric bill. Virginia passed a law last year (SB 1349) that froze only base rates for Virginia customers through 2019. Base rates comprise only 60 percent of a residential customer's monthly bill, covering salaries and benefits, maintenance costs, storm repairs and other routine expenses. The other 40 percent is mostly fuel charges – what utilities pay for natural gas, nuclear fuel, coal and oil to generate electricity. Fuel charges, which were unaffected by the legislation, are passed through to customers at no profit to utilities. So, when electric utilities pay less for fuel, that cost savings is passed on directly to customers.

As a fuel, natural gas is relatively competitive and low cost in comparison to other fuel sources. But what's missing in Virginia is access to an abundant supply. ACP will bring that supply to Virginia and North Carolina, which will help reduce energy costs for customers in both states.

Thank you again for allowing us the opportunity to address the board, and please let me know if you have additional questions.

Susan

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