UNITED STATES OF AMERICA BEFORE THE FEDERAL ENERGY REGULATORY COMMISSION

Mountain Valley Pipeline, LLC) Docket 1

Docket No. CP25- -000

ABBREVIATED APPLICATION OF MOUNTAIN VALLEY PIPELINE, LLC FOR AMENDMENT TO CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY

Pursuant to Section 7(c) of the Natural Gas Act ("NGA"), as amended,¹ and Part 157 of the regulations of the Federal Energy Regulatory Commission ("Commission" or "FERC"),² Mountain Valley Pipeline, LLC ("Mountain Valley") hereby submits this Amendment Application requesting that the Commission issue an order amending Mountain Valley's certificate of public convenience and necessity ("Certificate") for the Southgate Project.³

Mountain Valley requests that the Commission issue an order amending the Certificate to enable Mountain Valley to construct a modified version of the Southgate Project (the "Amendment Project"), as explained in further detail below. Specifically, Mountain Valley requests that the Commission amend the Certificate to allow Mountain Valley to construct approximately 31.3 miles of 30-inch-diameter natural gas pipeline (the H-650 Pipeline), four meter stations, and other ancillary facilities (e.g. mainline valves, contractor yards and access roads) required for the safe and reliable operation of the pipeline.

¹ 15 U.S.C. § 717f(c) (2018).

² 18 C.F.R. Part 157 (2024).

³ Mountain Valley Pipeline, LLC, 171 FERC ¶ 61,232 (2020), order on reh'g, 172 FERC ¶ 61,261 (2020), aff'd sub. nom., Sierra Club, et al. v. FERC, 38 F.4th 220 (D.C. Cir. 2022) ("Certificate Order").

⁴ The term "Amendment Project" refers to the specific project modifications described in this Amendment Application and accompanying Supplemental Environmental Report for which Mountain Valley seeks Commission approval to amend the Certificate for the Southgate Project.

In light of the confirmed need of Mountain Valley's shippers for additional firm natural gas transportation capacity and the extensive analysis already undertaken by the Commission for the Southgate Project, Mountain Valley respectfully requests that the Commission issue an order amending the Certificate and authorizing the Amendment Project by **December 31, 2025**.

I. <u>BACKGROUND</u>

MVP Southgate Project (Docket No. CP19-14-000)

On June 18, 2020, the Commission issued the Certificate Order authorizing Mountain Valley to construct, own, and operate the Southgate Project (the "Certificated Project"). The Certificated Project was proposed to extend approximately 75 miles from the terminus of the Mountain Valley Pipeline in Pittsylvania County, Virginia to new delivery points in Rockingham and Alamance Counties, North Carolina and provide up to 375,000 Dth/d of firm transportation service. The Certificate Project was supported by a long-term, firm precedent agreement with Public Service Company of North Carolina, Inc. for 300,000 Dth/d of firm transportation service. The Certificate Order was the result of a nearly two-year certificate process in Docket No. CP19-14-000 and a six month pre-filing process in Docket No. PF18-4-000. The United States Court of Appeals for the District of Columbia Circuit ("D.C. Circuit") affirmed the Certificate Order in an order issued June 28, 2022. The D.C. Circuit thoroughly examined and rejected multiple challenges to the Certificate Order on various NGA and National Environmental Policy Act grounds. No party challenged the need for the Certificated Project on appeal to the D.C. Circuit.

⁵ Certificate Order at P 2.

⁶ *Id.* at P 1. The Certificated Project consisted of approximately 31 miles of 24-inch pipeline and 44 miles of 16-inch pipeline.

⁷ *Id.* at P 29.

⁸ Sierra Club, et al. v. FERC, 38 F.4th 220 (D.C. Cir. 2022).

⁹ *Id*.

On June 15, 2023, Mountain Valley requested an extension of time, until June 18, 2026, to construct the Certificated Project, which the Commission granted on December 19, 2023. ¹⁰ In requesting the extension of time, Mountain Valley explained that construction of the Certificated Project was contingent on completion of the Mountain Valley Pipeline Project (the "Mainline System"). ¹¹ The Mainline System experienced construction delays due to persistent litigation and resultant repetitive permitting processes. Those delays, in turn, delayed the Certificated Project. The Commission found that good cause existed to grant Mountain Valley an extension of time to construct the Certificated Project, citing the necessary focus on Mainline System permitting and construction. ¹² The Commission further found that the environmental analysis contained in the Certificate Order remained valid. ¹³

Construction of the Mainline System was completed in June 2024 and the Mainline System was placed into service on June 14, 2024.¹⁴ The Mainline System currently transports up to 2 Bcf/day of natural gas from Wetzel County, West Virginia, to Transcontinental Gas Pipeline Company, LLC's ("Transco") Zone 5 compressor station 165 in Pittsylvania County, Virginia.

The Amendment Project

On December 29, 2023, Mountain Valley filed a Project Update in Docket No. CP19-14-000 announcing that it had entered into precedent agreements that contemplate certain modifications to the Certificated Project. Mountain Valley explained that the revised project

 $^{^{10}}$ Mountain Valley Pipeline, LLC, 185 FERC ¶ 61,208 (2023) ("Extension Order"). The Extension Order is the subject of an appeal at the D.C. Circuit in Case No. 24-1094.

¹¹ See Mountain Valley Pipeline, LLC, Request for Extension of Time, Docket No. CP19-14-002 (filed June 15, 2023).

¹² See Extension Order at PP 14-15.

¹³ *Id.* at P 20.

¹⁴ Mountain Valley Pipeline, LLC, Notification of In-Service Date, Docket Nos. CP16-10-000, et al. (filed June 14, 2024).

would extend approximately 31 miles from the terminus of the Mountain Valley Pipeline in Pittsylvania County, Virginia to planned new delivery points in Rockingham County, North Carolina using 30-inch diameter pipe. The revised project is less than half the length of the Certificated Project and would include substantially fewer water crossings and would not require a new compressor station. The new precedent agreements collectively provide for 550,000 Dth/d of firm capacity commitments and are each for 20-year terms (subject to two potential five-year extensions).

From February 2 through February 16, 2024, Mountain Valley held a non-binding open season for the Amendment Project. ¹⁵ The notice of the open season stated that Mountain Valley had entered into precedent agreements with Duke Energy Carolinas, LLC ("Duke") and Public Service Company of North Carolina, Inc, d/b/a Enbridge Gas North Carolina ("PSNC"), both as Foundation Shippers. ¹⁶ Throughout 2024, Mountain Valley continued to refine the Amendment Project scope and reengage with stakeholders and permitting agencies regarding the amendment. ¹⁷ Mountain Valley also conducted numerous outreach activities to potentially affected communities, including environmental justice populations, in order to inform these communities of the Amendment Project and to solicit feedback.

II. <u>DESCRIPTION OF MOUNTAIN VALLEY</u>

The exact legal name of the applicant is Mountain Valley Pipeline, LLC. Mountain Valley is a limited liability company duly organized and existing under the laws of the State of Delaware.

¹⁵ The open season materials are available at https://www.mvpsouthgate.com/wp-content/uploads/2024/02/MVP-Southgate-Open-Season-2-2-24.pdf.

¹⁶ Per the notice of open season, to qualify as a Foundation Shipper, a party must sign a Precedent Agreement and credit agreement and commit to at least 250,000 Dth/d of firm capacity for a minimum initial contract term of 20 years.

¹⁷ See Mountain Valley Pipeline, LLC, Project Update, Docket No. CP19-14-000 (filed Oct. 3, 2024).

Mountain Valley's principal office is located at 2200 Energy Drive, Canonsburg, Pennsylvania 15317.

Mountain Valley owns and operates an interstate natural gas pipeline system and is a "natural gas company" within the definition of Section 2(6) of the NGA, 15 U.S.C. § 717a(6), subject to the Commission's jurisdiction.

III. CORRESPONDENCE AND COMMUNICATIONS

The persons to whom correspondence and communications concerning this Application should be directed and upon whom service is to be made are as follows:

William S. Lavarco^{18 19}
NextEra Energy, Inc.
801 Pennsylvania Ave, NW
Suite 220
Washington, DC 20004
(202) 347-7127
william.lavarco@nee.com

James Sabol¹⁸
EQT Corporation
2200 Energy Drive
Canonsburg, Pennsylvania 15317
(412) 510-5831
james.sabol@eqt.com

Jennifer Brough¹⁸
Sheppard, Mullin, Richter & Hampton LLP
Four Embarcadero Center, 17th Floor
San Francisco, CA 94111-4109
(415) 434-9100
jbrough@sheppardmullin.com

¹⁸ Persons designated to receive service pursuant to Rule 203 of the Commission's Rules of Practice and Procedure, 18 C.F.R. § 385.203 (2024). Mountain Valley requests waiver of 18 C.F.R. § 385.2010(k) in order to include three persons designated for official service.

¹⁹ Person designated as the responsible Mountain Valley official under Section 154.7(a)(2) of the Commission's regulations, 18 C.F.R. § 154.7(a)(2) (2024).

IV. REGULATORY AUTHORIZATIONS REQUESTED

Mountain Valley is seeking to amend its Certificate pursuant to Section 7(c) of the NGA and Part 157 of the Commission's regulations to modify the Certificated Project. 20 Specifically, Mountain Valley requests that the Commission issue an order amending the Certificate to enable Mountain Valley to construct the following facilities:

- H-650 Pipeline: a new, 30-inch diameter, approximately 31.3-mile-long natural gas pipeline that will extend from the proposed Lambert Interconnect, and traverse Pittsylvania County, Virginia in a southwest direction for approximately 26.1 miles. The H-650 Pipeline will then continue southwest into Rockingham County, North Carolina for approximately 5.2 miles to proposed delivery interconnects (Dan River Interconnect #1 and Dan River Interconnect #2) located at approximate Milepost 31.3. The H-650 Pipeline follows the route and within the project footprint previously certificated by FERC for the Certificated Project, with minor deviations in certain locations as fully explained in the accompanying Supplemental Environmental Report. The H-650 Pipeline will receive natural gas from the Mainline System (at Milepost 0.0) as well as from an interconnect with the East Tennessee Natural Gas, LLC ("East Tennessee") system (at Milepost 28.2).
- Mainline Valves: four mainline valves located at Milepost 0.0 (Lambert Interconnect),
 Milepost 7.8, Milepost 18.8, and Milepost 31.3 (Dan River Interconnect #1).
- Meter Stations: four meter stations located at Milepost 0.0 (Lambert Interconnect),
 Milepost 28.9 (LN 3600 Interconnect), Milepost 31.3 (Dan River Interconnect #1 and Dan River Interconnect #2) with custody transfer flow meters, pressure/flow regulators, over

²⁰ See LA Storage, LLC, 188 FERC ¶ 61,195 (2024) (Granting amendment pursuant to NGA Section 7(c) to reduce project scope and downsize pipe diameter).

²¹ See Exhibit F-1 Supplemental Environmental Report, Resource Report 1.

pressure protection, isolation valves, heaters, odorization, and associated instrumentation and controls at the proposed gas receipt and delivery points to measure the flow of natural gas between the Amendment Project facilities and the interconnecting pipeline.

Mountain Valley has significantly reduced the scope from the Certificated Project, with fewer water crossings, 43.8 fewer miles of pipe, and the removal of the proposed 28,915-horsepower Lambert Compressor Station. This reduction in scope is summarized in the table below.

| Project Facility | Certificated Project | Amendment Project |
|------------------------|--|-----------------------------|
| | (Docket No. CP19-14-000) | |
| Pipe Length (miles) | 75.1 | 31.3 |
| Pipe Diameter (inches) | 16-inch and 24-inch | 30-inch |
| Maximum Allowable | 1440 pounds per square inch | 1440 pounds per square inch |
| Operating Pressure | gauge | gauge |
| Compressor Station | Lambert Compressor Station (Pittsylvania County, Virginia) | None |
| Meter Stations | Lambert | Lambert |
| | LN 3600 | LN 3600 |
| | T-15 Dan River | Dan River Interconnect #1 |
| | T-21 Haw River | Dan River Interconnect #2 |
| Mainline Valves | 8 | 4 |
| Ground Beds | 4 | 2 |

V. <u>CERTIFICATE POLICY STATEMENT AND PUBLIC CONVENIENCE AND NECESSITY</u>

In issuing the Certificate Order in Docket No. CP19-14-000, the Commission applied its Certificate Policy Statement²² criteria and concluded that "Mountain Valley has demonstrated a need for the Southgate Project and further, that the project will not have adverse economic impacts on existing shippers or other pipelines and their existing customers, and that the project's benefits will outweigh any adverse economic effects on landowners and surrounding communities." This finding was affirmed on rehearing of the Certificate Order. No party challenged the need for the Certificated Project before the D.C. Circuit and, in rejecting challenges to the approved return on equity and certain aspects of the Commission's environmental analysis, the D.C. Circuit affirmed the findings in the Certificate Order.²⁵

The conclusions reached in the Certificate Order remain true for the Amendment Project. In fact, the reduction in scope of the Amendment Project facilities combined with the executed precedent agreements for additional capacity, only further affirm that construction of the Amendment Project is consistent with the Certificate Policy Statement and required by the public convenience and necessity.²⁶

²² Certification of New Interstate Natural Gas Pipeline Facilities, 88 FERC ¶ 61,227; corrected, 89 FERC ¶ 61,040 (1999), clarified, 90 FERC ¶ 61,128; further clarified, 92 FERC ¶ 61,094 (2000) ("Certificate Policy Statement").

²³ Certificate Order at P 52.

²⁴ Mountain Valley Pipeline, LLC, 172 FERC ¶ 61,261 at P 11 (2020) ("We continue to find that Mountain Valley's long-term precedent agreement for firm transportation service with Dominion Energy represents a showing of need and satisfies our Certificate Policy Statement.").

²⁵ Sierra Club, et al. v. FERC, 38 F.4th 220 (D.C. Cir. 2022).

²⁶ Cf. Mountain Valley Pipeline, LLC, 179 FERC ¶ 61,013 (2022) (Amending certificate for the Mainline System and concluding "we find that the proposed amendment does not alter the Commission's previous finding that the Mountain Valley Pipeline Project's benefits will outweigh any adverse economic effects on existing shippers, other pipelines and their captive customers, and landowners and surrounding communities. Therefore, we conclude that the proposal is consistent with the criteria set forth in the Certificate Policy Statement[.]").

Subsidization and Impacts on Existing Customers

Under the Certificate Policy Statement, the "threshold requirement for existing pipelines proposing new projects is that the pipeline must be prepared to financially support the project without relying on subsidization from existing customers." In the Certificate Order, the Commission approved a separate rate zone for service on the Certificated Project and determined that "once operation of the Mainline System commences, there would be no risk that existing Mainline System customers would be subsidizing service on the Southgate Project, and no degradation of service to those customers." Mountain Valley proposes no changes to the approved rate zone for the Amendment Project. Therefore, the Commission's conclusion that there will be no impact on existing shippers remains valid. 29

Similarly, the Commission's conclusion that "there will be no adverse impact on other pipelines in the region or their captive customers" is unaffected by the Amendment Project changes. Shippers on the Amendment Project facilities will use the additional firm capacity to meet the growing demand for natural gas in the regions they serve and will not displace existing pipeline supplies. 31

²⁷ Certificate Order at P 24.

²⁸ *Id.* at P 25.

²⁹ As noted above, operation of the Mainline System commenced in June 2024.

³⁰ Certificate Order at P 26.

³¹ Transco recently filed an application in Docket No. CP25-10-000 to construct the Southeast Supply Enhancement Project to provide an additional 1,596,900 Dth/day of firm transportation capacity to "remove pipeline capacity constraints in Zone 4 and 5 and meet growing natural gas fired power generation, commercial, residential, and industrial demand in the southeast United States." The Transco filing is discussed in further detail in the Exhibit F-1 Supplemental Environmental Report at Resource Report 10.

Impacts on Landowners and Communities

The Commission held that it was "satisfied that Mountain Valley has taken appropriate steps to minimize adverse impacts on landowners" for the Certificated Project.³² As fully explained in the Supplemental Environmental Report, the Amendment Project has been designed to reduce impacts to landowners and communities and has further minimized impacts as compared to the approved Certificated Project. Therefore, the Commission's conclusion regarding impacts to landowners is not affected by the Amendment Project proposal. Mountain Valley has acquired 100% of the easements required for the Amendment Project in North Carolina and more than 95% of the easements (by tract) in Virginia. Mountain Valley anticipates that the remaining parcels will be acquired in 2025 without the use of eminent domain.

Mountain Valley has continued the outreach to impacted communities that it first initiated in 2018 and has implemented a comprehensive Public, Stakeholder, and Agency Participation Plan³³ for the Amendment Project. As described in the Supplemental Environmental Report, Mountain Valley conducted a renewed desktop review to identify Environmental Justice communities within a 1-mile footprint of the Amendment Project corridor to help ensure that underserved community members are included in outreach and engagement efforts. Utilizing available online resources, census data, and Mountain Valley's first-hand knowledge of the community from years of outreach and collaboration, information was collected to identify Environmental Justice communities, sensitive receptor locations, as well as additional demographic, socioeconomic and health data in order to gain a greater understanding of the communities that may be impacted by the Amendment Project.

-

³² Certificate Order at P 27.

³³ See Exhibit F-1 Supplemental Environmental Report, Resource Report 1, Appendix 1-G.

Mountain Valley will continue to post Amendment Project updates on its website (www.mvpsouthgate.com) and disseminate Amendment Project information via local advertising, digital advertising, email, flyers, in-person meetings, sponsorship of and participation in community events, and virtual meetings. Allowing for non-native English speakers, Mountain Valley will provide translated materials and interpretation services as necessary. Mountain Valley operates a toll-free phone number (833-MV-SOUTH), e-mail address (mail@mvpsouthgate.com), and postal mailing address (2200 Energy Drive, Canonsburg, Pennsylvania 15317) that enables stakeholders to obtain additional Amendment Project information and provide input directly to Mountain Valley. This information is printed on all materials and included on the Amendment Project website and includes a single point of contact for stakeholder inquiries.

Market Need

For the Certificated Project, Mountain Valley executed a long-term, firm precedent agreement with one non-affiliated shipper for 300,000 Dth/day of firm transportation service, representing 80% of the total project capacity.³⁴ After conducting a comprehensive analysis of market need and the ability of existing infrastructure to meet demand, the Commission concluded that the precedent agreement "adequately demonstrates that the project is needed."³⁵ This finding of market need for the Certificated Project was affirmed on rehearing and was not challenged before the D.C. Circuit.³⁶

-

³⁴ Certificate Order at P 29.

³⁵ *Id.* at P 51.

³⁶ See Appalachian Voices, et al. v. FERC, Opening Brief of Petitioners, D.C. Cir. Case No. 24-1094 (filed Jul. 23, 2024) ("This Court upheld the Commission's original Certificate Order for the Southgate Project. Sierra Club v. FERC, 38 F.4th 220 (D.C. Cir. 2022). The petitioners there did not challenge the Commission's finding of public benefits, including market need.") (emphasis added).

The Amendment Project is 100% fully subscribed under two non-affiliate precedent agreements with two Foundation Shippers for a total of 550,000 Dth/d of firm transportation capacity. These precedent agreements reflect that the market need for the Amendment Project has only grown in time since the Commission issued the Certificate Order. The Amendment Project will provide firm natural gas transportation services for both Duke and PSNC to meet growing supply needs via interconnections with the Mainline System in southern Virginia and East Tennessee in North Carolina to two new delivery points in Rockingham County, North Carolina. The North Carolina Utilities Commission ("NCUC") is supportive of each shipper's need to acquire incremental transportation to meet growing demand and a diversified gas supply.

In 2021, the North Carolina General Assembly enacted Session Law 2021-165: Energy Solutions for North Carolina ("House Bill 951"), which directs NCUC to determine the least-cost path for Duke to reduce carbon emissions from its electric generating facilities. The law also requires the NCUC to ensure that all planned generation and resource changes maintain or improve upon the adequacy and reliability of the existing grid. In compliance with House Bill 951, Duke filed its 2023-2024 Carbon Plan Integrated Resource Plan ("CPIRP") with the NCUC in August 2023, and subsequently supplemented the CPIRP in January 2024 to address emerging, unprecedented growth in electric demand now occurring in the Carolinas. In the CPIRP, Duke projects significant load growth while also planning for the orderly retirement of Duke's remaining 8,400 MW of coal-fired generating capacity in North Carolina by 2035. To transition away from coal, however, Duke has identified in the CPIRP that it needs to increase the fuel security of natural gas supply. Failing to do so only increases the likelihood of, and risks related to, delayed coal retirements. Duke has contracted with Mountain Valley for capacity on the Amendment Project

as part of that fuel security solution that enables Duke's significant planned coal unit retirements over the next decade.

Duke has also stated that if its ability to deploy and utilize new natural gas generation is limited, such as due to lack of additional natural gas supply, additional and significant costs will be imposed on customers, and Duke may be delayed in its ability to meet the carbon emission reduction target under North Carolina law. Duke has specifically identified the contracted 250,000 Dth/day of Amendment Project capacity in testimony to the NCUC as required to provide a portion of the needed gas supply to support its existing generation fleet and the three combined cycles included in the CPIRP's near-term execution plan to ensure reliable operation of generation to displace coal usage and achieve overall fleet carbon emission reductions consistent with North Carolina law.³⁷

PSNC is a single-state regulated gas utility in North Carolina serving over 600,000 customers in service territories supported by strong economic growth in cities such as Raleigh, Durham, Gastonia, and Asheville. PSNC operates over 13,000 miles (over 20,500 km) of natural gas distribution and transmission pipelines and is constructing and will operate a liquefied natural gas storage facility that will enhance system reliability. PSNC has added about 100,000 new natural gas customers over the past decade and remains committed to ensuring the highest levels of service to the homes and businesses that rely on natural gas for heating, cooking and other uses. The Amendment Project offers the most efficient and cost-effective way to meet capacity requirements, enhance reliability and provide the diversity of supply needed to meet PSNC's

³⁷ See NCUC Docket No. E-100, Sub 190, Rebuttal Testimony of J. Verderame and H.L. Mitchell, IV on Behalf of Duke Energy Carolinas, LLC and Duke Energy Progress, LLC (Jul. 1, 2024).

customers' needs. In this vein, the NCUC has recognized the need for additional interstate natural gas transmission supply.³⁸

The Commission's findings in the Certificate Order that the Certificated Project was consistent with the public convenience and necessity should be affirmed in issuing an order granting authorization to construct the Amendment Project. Mountain Valley has designed a carefully-tailored revised and reduced project scope to meet the confirmed need for additional natural gas supplies in the region.

VI. <u>LANDOWNER NOTIFICATION</u>

In accordance with Section 157.6(d) of the Commission's regulations, Mountain Valley has included a complete list of affected landowners. The landowner list is being filed in Volume IV as privileged information pursuant to 18 C.F.R. § 388.112 as it contains landowner names and addresses, which should not be released. Mountain Valley requests privileged treatment for Volume III and has marked the applicable documents "CUI//PRIV – Do Not Release."

In furtherance of its commitment to keeping landowners informed, Mountain Valley sent letters to affected landowners in November 2024 that provided contact information for obtaining additional information and updates regarding the Amendment Project. Mountain Valley also sent letters to the landowners that are no longer impacted due to the shortening of the pipeline route as compared to the Certificated Project and offered to keep them informed of Amendment Project developments if they wished to be notified.

_

³⁸ See NCUC Docket No. G-100, Order Requiring Reporting at 15-16 (issued June 28, 2013) (Noting the problems inherent in the heavy dependence on one interstate natural gas pipeline serving North Carolina and the need for supply diversity to meet the state's needs); NCUC Docket No. G-5, Order Accepting Affiliated Agreements for Filing and Permitting Operation Thereunder Pursuant to N.C. Gen. Stat. § 62-153 at 4 (issued Oct. 9, 2018) ("The Public Staff stated that it had reviewed the Southgate PA, the other filed agreements, and information provided by PSNC in response to Public Staff data requests. Based on its investigation, the Public Staff determined that authorizing PSNC to go forward with its participation in the Southgate project should be approved as discussed below.").

VII. ENVIRONMENTAL IMPACT

The Resource Reports attached hereto as Exhibit F-1 more fully describe the potential environmental impacts of the Amendment Project. The information in Exhibit F-1 has been prepared in accordance with Part 380 of the Commission's regulations and FERC's Guidance Manual for Environmental Report Preparation and meets the requirements for the Commission to perform its environmental analysis of the Amendment Project.

The Resource Reports describe any changes in environmental impacts resulting from the Amendment Project scope as compared to the impacts from the Certificated Project already considered in the Final Environmental Impact Statement and as authorized by the Commission in the Certificate Order. In accordance with Commission precedent,³⁹ the Commission's environmental review must be narrowly tailored to the scope of the Amendment Project and the Commission can incorporate applicable information gathered during its multi-year review of the Certificated Project. Commission Staff routinely prepares Environmental Assessments for certificate amendment projects and should do the same here.⁴⁰ Mountain Valley has provided, and

-

³⁹ See, e.g., Perryville Gas Storage, LLC, 142 FERC ¶ 62,209 (2013) (The Commission's environmental review limited to change in location of project facility).

⁴⁰ See, e.g., Mountain Valley Pipeline Project Amendment, Environmental Assessment, Docket No. CP21-57-000 (issued Aug. 13, 2021) ("The EA assesses the potential environmental effects of the construction and operation of the Amendment Project in accordance with the requirements of the National Environmental Policy Act (NEPA). The FERC staff concludes that approval of the proposed project, with appropriate mitigating measures, would not constitute a major federal action significantly affecting the quality of the human environment."); Sabine Pass Liquefaction, LLC, Environmental Assessment, Docket No. CP13-2-000 (issued Apr. 24, 2013) (Preparing Environmental Assessment for modification of previously-approved but not yet constructed LNG facilities); Wyckoff Gas Storage Company, LLC, Environmental Assessment, Docket No. CP03-33-002 (issued Mar. 16, 2006) (Preparing Environmental Assessment for amendment of certificate to modify and downsize previously-approved gas storage facilities); Northwest Pipeline Corporation, Environmental Assessment, Docket No. CP01-49-002 (issued Dec. 23, 2003) (Preparing Environmental Assessment for proposal to downsize previously-certificated pipeline facilities); Transcontinental Gas Pipe Line Corporation, 103 FERC ¶ 61,033 (2003) (Holding that the amendment to downsize an existing project would "reduce the overall environmental impact of the project evaluated in the Project's Environmental Assessment" and declining to prepare a new Environmental Assessment).

will continue to provide, the Commission with the information necessary for its complete review of the Amendment Project.

Construction of the Amendment Project will be conducted in accordance with all applicable environmental regulations, and approval of the proposal will not result in a significant impact on the environment. Mountain Valley will adhere to all previously approved construction impact avoidance and minimization plans for the Certificated Project in Docket No. CP19-14-000. As fully described in the Supplemental Environmental Report, the Amendment Project would result in significantly reduced impacts as compared to the Certificated Project. In addition, the H-650 Pipeline will be collocated with existing infrastructure for approximately 70% (or 22 miles) of the proposed alignment.

VIII. RATES AND TARIFF

In the Certificate Order, the Commission authorized Mountain Valley to provide firm (Rate Schedule FTS), interruptible (Rate Schedule ITS), and interruptible lending and parking (Rate Schedule ILPS) transportation services under a separate rate zone called the Southgate System.⁴¹ Mountain Valley is not proposing changes to the accepted rate zone structure as part of the Amendment Project.

Mountain Valley has updated the initial rates for the Amendment Project based on revised cost estimates as reflected in Exhibits K, N, and P.⁴² In addition, in Docket No. RP24-682-000, Mountain Valley received Commission approval to offer Mainline System service under a new rate schedule, Rate Schedule EFT (Enhanced Firm Transportation Service). Accordingly,

_

⁴¹ Certificate Order at P 53.

⁴² The Commission approved a cost of service for the Certificated Project using a capital structure of 50% debt and 50% equity, a cost of debt of 6%, and a return on equity of 14%. Certificate Order at PP 53-54. The return on equity was affirmed by the D.C. Circuit on appeal of the Certificate Order. *Sierra Club, et al. v. FERC*, 38 F.4th 220 (D.C. Cir. 2022).

Mountain Valley is submitting revised Tariff records in Exhibit P to reflect these changes and the inclusion of Rate Schedule EFT service for the Amendment Project. Mountain Valley also proposes additional miscellaneous Tariff changes to reflect the addition of the Amendment Project facilities.⁴³

In the Certificate Order, the Commission approved Mountain Valley's proposed retainage factor to track and recover actual experienced fuel and lost and unaccounted for gas on the Certificated Project facilities. As Mountain Valley has eliminated the Lambert Compressor Station from the Amendment Project scope, there is no longer a need for the proposed retainage factor to cover compressor fuel. Instead, Mountain Valley proposes to initially retain 0.05% of gas received onto the Southgate System for lost and unaccounted for gas. Consistent with the findings in the Certificate Order and consistent with Section 6.28 of Mountain Valley's Commission-approved Tariff, Mountain Valley will track the actual experienced lost and unaccounted for gas to provide transportation service on the Amendment Project facilities. Mountain Valley will account for all under or over recovered lost and unaccounted for gas in FERC Account 186.46

IX. <u>LIST OF EXHIBITS</u>

Pursuant to Section 157.6(b)(6) of the Commission's regulations, the following exhibits are attached hereto, incorporated by reference, or omitted for the stated reasons:

⁴³ For example, Mountain Valley proposes to update the description of the pipeline to include the Amendment Project facilities in North Carolina (Section 2) and also to update pipeline system maps (Section 3.1).

⁴⁶ Mountain Valley Pipeline, LLC, FERC Gas Tariff, General Terms and Conditions Section 6.28 (Transportation Retainage).

⁴⁴ Certificate Order at P 65.

⁴⁵ *Id*.

Exhibit A

Articles of Incorporation

Omitted. Mountain Valley submitted the Mountain Valley LLC Agreement in Docket No. CP19-14-000 for the Certificated Project. Note that the Series B membership interests previously held by WGL Midstream MVP LLC under the Mountain Valley LLC Agreement were assigned to Pipeline Holdings, LLC. WGL Midstream MVP LLC, WGL Midstream, Inc., and Pipeline Holdings, LLC are each an affiliate of AltaGas Ltd.

Exhibit B

State Authorization

Omitted. Mountain Valley submitted the Mountain Valley LLC state authorizations in Docket No. CP19-14-000 for the Certificated Project.

Exhibit C

Company Officials

Attached hereto.

Exhibit D

Subsidiaries and Affiliation

Omitted. As of the date of this Application, neither Mountain Valley nor any of its officers directly or indirectly owns, controls, or holds with power to vote 10 percent or more of the outstanding voting securities of any other person or group engaged in the production, transportation, storage, distribution, or sale of natural gas or of any person or group engaged in the financing of such enterprises.

Exhibit E

Other Pending Applications and Filings

None. Construction of the Mainline System (Docket Nos. CP16-10-000, CP21-57-000, and CP19-477-000) and the Equitrans Expansion Project (Docket No. CP16-13-000) is complete and there are no pending applications. On June 18, 2020, the Commission issued the Certificate Order in Docket No. CP19-14-000 authorizing Mountain Valley to construct, own, and operate the Certificated Project. On December 19, 2023, the Commission issued the Extension Order.

Exhibit F Location of Facilities

Attached hereto.

Exhibit F-1 Supplemental Environmental Report

Included in Volume II.

Exhibits G, G-I, G-II Flow diagrams

Exhibits G, G-I, and G-II are being submitted in Volume III as Critical Energy Infrastructure Information pursuant

to 18 C.F.R. § 388.112.

Exhibit H Total Gas Supply Data

Omitted. Mountain Valley proposes only to provide openaccess transportation service on the Amendment Project facilities and, accordingly, the Amendment Project shippers will be responsible for providing and arranging

their own sources of gas supply.

Exhibit I Market Data

Attached hereto. Mountain Valley has redacted certain confidential provisions from the public version of the Precedent Agreements. Unredacted versions are submitted in Volume IV and designated as Privileged and Confidential pursuant to 18 C.F.R. § 388.112 and marked as "Contains Privileged Information – Do Not Release" and

"Not Available To Competitive Duty Personnel."

<u>Exhibit J</u> <u>Federal Authorizations</u>

See Resource Report 1, Table 1.7-1 of the Exhibit F-1

Supplemental Environmental Report in Volume II.

Exhibit K Cost of Facilities

Attached hereto.

Exhibit L Financing

Omitted. Mountain Valley will finance the cost of the Project through funds on hand and borrowings under short-

term financing arrangements with its members.

Exhibit M Construction, Operation, and Management

Omitted. Mountain Valley incorporates by reference the Construction, Operation and Management between Mountain Valley and EQM Gathering Opco, LLC filed in

Docket No. CP16-10-000.

Exhibit N Revenues-Expenses-Income

Attached hereto.

<u>Exhibit O</u> <u>Depreciation and Depletion</u>

Omitted. Mountain Valley will continue to use the 2.5% depreciation rate and 40 year depreciable life approved in

the Certificate Order.⁴⁷

Exhibit P Tariff

Attached hereto.

Exhibit Z-1 Notice of Application

A form of notice of this Application suitable for publication in the Federal Register, in accordance with the specifications in 18 C.F.R. § 385.203(d), is attached hereto.

Exhibit Z-2 Form of Confidentiality and Protective Agreement

Attached hereto.

Exhibit Z-3 Third Party Contractor Materials

Attached hereto. Mountain Valley has included the proposals from third party contractors to assist the Commission in its preparation of the Environmental Assessment for the Amendment Project. The materials are submitted in Volume IV and designated as Privileged and Confidential pursuant to 18 C.F.R. § 388.112 and marked as "Contains Privileged Information – Do Not Release."

_

⁴⁷ Certificate Order at P 61.

X. **CONCLUSION**

WHEREFORE, for the foregoing reasons, Mountain Valley respectfully requests that the

Commission issue an order amending the Certificate, and issue any other authorizations the

Commission deems necessary, including applicable waivers, so that Mountain Valley can

construct and operate the Amendment Project, as discussed herein. Mountain Valley requests that

this amendment application be processed in accordance with the shortened procedures set forth in

Rules 801 and 802 of the Commission's Rules of Practice and Procedure. 48 To meet the confirmed

needs of the Amendment Project shippers for additional firm natural gas transportation capacity,

Mountain Valley requests that the Commission issue an order by December 31, 2025.

Respectfully submitted,

Mountain Valley Pipeline, LLC

By: NextEra Energy Pipeline Services, LLC,

its attorney-in-fact

By: /s/ William S. Lavarco

William S. Lavarco

Dated: February 3, 2025

⁴⁸ 18 C.F.R. §§ 385.801 and 385.802. Mountain Valley requests that the intermediate decision procedure be omitted and waives oral hearing and opportunity for filing exceptions to the decision of the Commission.

21