

BLUE RIDGE ENVIRONMENTAL DEFENSE LEAGUE

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September 16, 2019

Docket No. CP19-14-000

Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street NE, Room 1A
Washington, DC 20426

FERC DEIS [FERC/EIS-0297D] – MVP Southgate Project

Comments and Request for 60-Day Extension for Comments

I am submitting comments on behalf of the Blue Ridge Environmental Defense League (BREDL) based in Glendale Springs, NC. BREDL is a regional, community-based, non-profit environmental organization founded in March 1984. Our founding principles are earth stewardship, environmental democracy, social justice, and community empowerment. BREDL has chapters and members throughout the Southeast including in the MVP Southgate impacted counties of Pittsylvania in Virginia and Rockingham and Alamance counties in North Carolina.

BREDL will submit additional comments.

Public Release of DEIS was Premature

Per Federal Energy Regulatory Commission (FERC) regulations on implementing the National Environmental Policy Act (NEPA), 18 CFR § 380.3(b), an applicant must (1) Provide all necessary or relevant information to the Commission and (2) Conduct any studies that the Commission staff considers necessary or relevant to determine the impact of the proposal on the human environment and natural resources.

There are too many instances of incomplete data or lack of information mentioned throughout the DEIS. This DEIS should not have been released for public comment until the information was completed. For examples,

- Regarding geotechnical studies for Dan River and Stony Creek Reservoir crossings:
“Mountain Valley’s geotechnical contractor determined that the current HDD design is feasible; however, additional geotechnical borings are planned to confirm the findings.” “Access issues limited collection of geotechnical information at the Stony Creek Reservoir crossing location.”¹

¹ MVP-Southgate DEIS, FERC/EIS-0297D, July 2019, pp. 4-14,4-15 or pdf pp. 144-145

- Regarding data on springs in Virginia and North Carolina:
“Published, recent data on springs in Virginia and North Carolina are not currently available. ..Based on surveys completed at this time...”²
- Regarding wetlands:
“Couldn’t survey all wetlands...”³
- Regarding Endangered, Threatened and Sensitive Species:
“To date, Mountain Valley has not completed surveys or provided survey results to the Commission for federally listed bat hibernacula, aquatic biota, and plant species along the Project survey corridor.”⁴

Because the DEIS contains many information deficiencies, there are numerous FERC Staff recommendations listed throughout. These so-called recommendations illegally sidesteps public input and offer no guarantee that recommendations will become requirements. These holes in the DEIS will increase variance requests. The FERC variance process is not governed by regulations or published policy, does not include public input and does not allow for detailed analysis. FERC’s reliance on recommendations and variances unlawfully circumvents the NEPA process.

Moreover, the DEIS states that,

“We determined that, for most resources, the construction and operation of the Project would result in limited adverse environmental impacts. This determination is based on our review of the information provided by Mountain Valley and further developed from environmental information requests; field reconnaissance; scoping; literature research; alternatives analyses; and contacts with federal, state, and local agencies, and other stakeholders. We conclude that approval of the Project would result in some adverse environmental impacts, but these impacts would be reduced to less-than-significant levels through implementation of our recommendations and Mountain Valley’s proposed avoidance, minimization, and mitigation measures.”⁵

The DEIS is relying on recommendations to justify FERC’s determination of less-than-significant impacts. There is no guarantee that these recommendations will become requirements or that they will be implemented.

FERC must take a "hard look" at the environmental consequences of an action. Coalition for Responsible Growth ~ Res. Conservation v. FERC, 485 F. App'x 472, 474 (2d Cir. 2012).

This DEIS is fatally flawed because it lacks detailed and complete analysis which would aid public input and agency decision-making. It should be rescinded, fully completed, then re-released for public review once FERC’s NEPA implementation regulations are properly met.

² Ibid. P. 156

³ Ibid. P. 176

⁴ Ibid. P. 223

⁵ Ibid. P. 34

Request for 60-Day Extension

In light of numerous shortcomings of information throughout the DEIS, BREDL respectfully requests a 60-Day Extension for Public Comments.

Segmentation

FERC and Mountain Valley Pipeline, LLC have segmented the MVP Southgate project as a separate project outside of the MVP-mainline, illegally splitting this project into two parts. As BREDL pointed out in our August 21, 2018 comments at the Chatham, VA scoping meeting, “While this project is deemed as independent from the Mountain Valley Pipeline...it is indeed dependent on the completion of the MVP project.”

We further charge that FERC’s attempt to mislead the public and to not evaluate these two “projects” in one environmental document was arbitrary and capricious. We are not convinced that FERC did not know about the Southgate Project prior to April 11, 2018. Construction had already started on the MVP-Mainline Project – just two months prior to the MVP-Southgate Project being announced. As soon as FERC received notice of the Southgate Project, FERC should have taken the appropriate actions.

Jun. 23, 2017	FERC issued the Final Environmental Impact Statement.
Oct. 13, 2017	FERC issued a Certificate of Public Convenience and Necessity for MVP.
Feb. 2018	Construction of the MVP began with tree-cutting.
Apr. 11, 2018	MVP announces the MVP Southgate Project.

Federal agencies may not "artificially divid[e] a major federal action into smaller components, each without a 'significant' impact." Coalition on Sensible Transp. v. Dole, 826 E2d 60, 68 (D.C. Cir. 1987). Without the MVP mainline project, the MVP Southgate project would be void. The mainline project has yet to be completed. FERC must consider both “projects” in one environmental document.

The time between the issuance of the MVP-mainline FEIS in June, 2017 and the announcement of plans to build the Southgate in April, 2018 was just ten months. FERC certified the MVP-mainline in October, 2017 based on plans to have its gas flow into the Transco pipeline system, and then within a period of only six months, began articulating that this MVP-mainline gas would be redirected by the Southgate to “two new delivery points on the Dominion Energy distribution system in Rockingham and Alamance Counties, North Carolina.”

Mountain Valley Pipeline, LLC sought to avoid addressing the entire project and its cumulative impacts. FERC had the authority and the responsibility to stop work on the MVP-mainline as soon as it received the news regarding the Southgate project. In fact, FERC is required to do so. FERC must analyze the MVP-Mainline and MVP-Southgate projects in one environmental document so that cumulative impacts can be properly considered and addressed.

The Draft Environmental Impact Statement (DEIS) for the MVP Southgate says the following: “Mountain Valley states that the Project will provide additional firm natural gas transportation services for Dominion Energy to meet its growing supply needs via interconnections with the under construction Mountain Valley Pipeline project in southern Virginia and the interstate pipeline of

East Tennessee in North Carolina to two new delivery points on the Dominion Energy distribution system in Rockingham and Alamance Counties, North Carolina.”⁹

The Southgate DEIS further states that “The Transco system does not connect with the Project’s proposed receipt point with the Mountain Valley Pipeline.”¹⁰

However, the Final Environmental Impact Statement (FEIS) for the MVP-mainline, issued in June, 2017, states, “In general, as described by the Applicants, the purpose of both the MVP and the EEP is to transport natural gas produced in the Appalachian Basin to markets in the Northeast, Mid-Atlantic, and Southeastern United States. Specifically, the MVP would deliver the identified gas volumes (2 Bcf/d) to five contracted shippers via a pooling point at Transco Station 165 in Pittsylvania County, Virginia.”¹¹

FERC has not shown that there are logical termini between the projects, or that each project results in a segment that has substantial independent utility apart from the other project. See *Taxpayers Watchdog, Inc. v. Stanley*, 819 F.2d 294, 298 (D.C. Cir. 1987) (*Taxpayers Watchdog*). In fact, the DEIS has indicated the opposite by stating that the purpose and need for the Southgate project is dependent on “Dominion Energy [meeting] its growing supply needs via interconnections with the under construction Mountain Valley Pipeline project.”

Per NEPA regulations, §1508.25, scope consists of the range of actions, alternatives and impacts to be considered in an environmental impact statement. The scope of an individual statement may depend on its relationships to other statements. Connected actions must be discussed in the same impact statement. Actions are connected if they automatically trigger other actions. Cumulative actions when viewed with other proposed actions to have significant impacts must be discussed in the same impact statement.

The courts have ruled against such pipeline segmentation. Delaware Riverkeeper Network et al successfully argued that FERC’s pipeline approval process was illegal because it had segmented its environmental review. On June 6, 2014, the United States Court of Appeals for the District of Columbia issued an opinion and order finding that FERC’s segmentation violated NEPA and that FERC had failed to consider the cumulative impacts of these projects. The court decision stated:

“The temporal nexus here is clear. Tennessee Gas proposed the Northeast Project while the 300 Line Project was under construction, and FERC plainly was aware of the physical, functional, and financial links between the two projects. And FERC’s consideration of the Northeast Project application overlapped with its consideration of the remaining two projects. Indeed, FERC’s review of the Northeast Project overlapped with its review of the Northeast Supply Diversification Project for the first six months and with the MPP Project’s review for the final six months. Thus, FERC was obliged to take into account the condition of the environment reflected in the recently related and connected upgrades. The adjacent lands were recently disturbed, wildlife faced a larger habitat disruption, there was an increase in pressure and gas moving through the system, and wetlands and groundwater

⁹ MVP-Southgate DEIS, p. ES1 or pdf p. 26

¹⁰ *Ibid.*, p. 86

¹¹ MVP FEIS, Mountain Valley Project, CP16-10-000, June 2017, pp. 1-8 or pdf p.64.

flow was disrupted. These effects could not be ignored in FERC's NEPA review of the Northeast Project.

Tennessee Gas states that it did not know at the time it commenced the 300 Line Project that it was embarking on a series of upgrade projects that would soon transform the entire pipeline. That may be so. But the important question here is whether FERC was justified in rejecting commenters' requests that it analyze the entire pipeline upgrade project once the Northeast Project was under review and once the parties had pointed out the interrelatedness of the sequential pieces of pipeline which were, in fact, creating a complete, new, linear pipeline. Because of the temporal overlap of the projects, the scope and interrelatedness of the work should have been evident to FERC as it reviewed the Northeast Project. Yet FERC wrote and relied upon an EA that failed to consider fully the contemporaneous, connected projects."

No matter that construction on the MVP-Mainline Project is underway or how far along that construction may or may not be. **FERC must immediately stop work on the MVP-mainline project, halt the Southgate DEIS process, and return to square one. FERC must consider and evaluate these two projects - dependent on each other – in one environmental document.**

Purpose and Need / Convenience and Necessity

FERC needs to further explain the purpose and need for this project. Meeting the "specific requests" of Dominion Energy is an extremely vague reason and frail attempt at meeting purpose and need and following the spirit of the NEPA.

The DEIS states,

"In general, as described by Mountain Valley, the purpose and need for the Southgate Project is to meet the specific requests for natural gas transportation service of its anchor shipper, Dominion Energy, a local natural gas distribution company. Mountain Valley states that the Project will provide additional firm natural gas transportation services for Dominion Energy to meet its growing supply needs via interconnections with the under construction Mountain Valley Pipeline project in southern Virginia and the interstate pipeline of East Tennessee in North Carolina to two new delivery points on the Dominion Energy distribution system in Rockingham and Alamance Counties, North Carolina."¹²

The CEQ principle regulations for implementing the National Environmental Policy Act are "to make sure that federal agencies act according to the letter and the spirit of the Act."¹³ Per NEPA CEQ regulation, Section 1502.13—the Purpose and Need Statement, the environmental impact statement "shall briefly specify the underlying purpose and need to which the agency is responding in proposing the alternatives including the proposed action."

¹² MVP-Southgate DEIS, p. ES1 or pdf p. 26

¹³ Council on Environmental Quality Regulations for implementing the National Environmental Policy Act, as amended, 40 CFR 1500.1

FERC approval of a pipeline requires a demonstration of need and that, on balance, the project will serve the public interest. (Certification of New Interstate Natural Gas Pipeline Facilities, 88 FERC ¶ 61,227 (1999), clarified, 90 FERC ¶ 61,128, further certified, 92 FERC ¶ 61,094 (2000)).

Sources indicate that natural gas usage is beginning to decline both in the United States and Globally. In the U.S., the Energy Information Administration projects that gas production will decline 2% from 12% in 2018 to 10% in 2019. U.S. power generators' gas usage may be peaking, rising to an expected record 30.6 bcfd in 2019 but then falling to 29.6 bcfd in 2020 as renewables produce more electricity, EIA data shows.¹⁴

Across the globe, demand for natural gas surged by 4.6% in 2018. However, the International Energy Agency says that extraordinary growth rate is not sustainable. Over the next five years, IEA expects gas demand to only increase by 1.6% per year on average.¹⁵

As renewable energy continues to increase, the demand for natural gas will continue to decline. Further indication that the purpose and need of this project is weak at best and why more details are needed.

In January 2018 a report by the International Renewable Energy Agency (IRENA), which has more than 150 member countries, says the cost of renewable energy is falling so fast globally that it should be a consistently cheaper source of electricity generation than fossil fuels by 2020. The report says the cost of generating power from onshore wind has fallen by 23% since 2010 while the cost of solar photovoltaic

Solar Photovoltaic (PV) electricity has fallen by 73%. IRENA projects that wind and solar (PV) generation costs will fall to \$0.03 per kilowatt hour by 2020.¹⁶

In the U.S. a 2017 Department of Energy report confirmed that the United States can safely and reliably operate the electric grid with high levels of renewables. In 2010 renewables accounted for 11.9% of electricity generated with 3.5% from wind and 0.2% from solar. By 2017 renewables grew to 17.0% of electricity generated. Wind power grew to 6.3% and solar increased to 1.3%.¹⁷

In October 2018, the United Nations released a dire report on Climate Change. The report said that by 2050, emissions of heat-trapping greenhouse gasses, including methane, should be reduced by 35%, relative to the 2010 rate. "Emissions would need to decline rapidly across all of society's main sectors, including buildings, industry, transport, energy, and agriculture, forestry and other land use," the report said.

¹⁴ <https://www.reuters.com/article/us-usa-natgas-prices-analysis/us-natural-gas-demand-is-at-a-record-and-prices-keep-dropping-idUSKCN1UY27V>, U.S. natural gas demand is at a record - and prices keep dropping, Reuters, August 8, 2019

¹⁵ <https://www.cnbc.com/2019/06/07/the-global-boom-in-natural-gas-demand-is-about-to-slow-iea-says.html>, CNBC, The global boom in natural gas demand is about to slow, the International Energy Agency says, June 7, 2019

¹⁶ https://www.irena.org/-/media/Files/IRENA/Agency/Publication/2018/Jan/IRENA_2017_Power_Costs_2018.pdf

¹⁷ U.S. Energy Information Administration

The report also recommended changes to land use, urban planning, infrastructure systems and energy use. They recommended gas should only account for 8% of energy by 2050. Currently, natural gas makes up around 25% of global consumption.

The Commission's role in reviewing the details of any project is to make a determination of public convenience and necessity. The Commission is supposed to base its decisions on financing, rates, market demand, gas supply, environmental impact, and other issues concerning a proposed project. It's not done so here.

As mentioned earlier, market demand is waning. Steve Schlotterbeck, former CEO of EQT, has provided some details in financing and market demand. Here's an excerpt from desmogblog.com:

"Back in 2014, Sheffield told Forbes that he expected Pioneer could produce a million barrels of oil a day from the Permian basin by 2024 — up from 45,000 barrels a day in 2011.

Now, Sheffield, who left the helm of Pioneer in 2016 and returned this February, says that those million-barrel-a-day plans are looking increasingly doubtful as the industry has struggled to prove to investors that it's capable not only of producing enormous volumes of oil and gas, but that it can do so while booking profits rather than losses.

'We lost the growth investors,' Pioneer CEO Scott Sheffield told the Journal. 'Now we've got to attract a whole other set of investors.'

Sheffield's comments on the shale oil industry's fiscal difficulties come on the heels of a warning from the former CEO of the country's largest natural gas producer about the shale gas industry's financial distress.

Steve Schlotterbeck, former CEO of America's largest producer of natural gas, described the impact over a decade of fracking on Marcellus shale drilling companies at a recent petrochemical industry conference.

'In a little more than a decade, most of these companies just destroyed a very large percentage of their companies' value that they had at the beginning of the shale revolution,' he said, in remarks reported by DeSmog on Sunday. 'Excluding capital, the big eight basin producers have destroyed on average 80 percent of the value of their companies since the beginning of the shale revolution.'

Schlotterbeck, the former CEO of EQT who now serves on the board of directors for the Energy Innovation Center Institute which offers training for workers in the oil and gas, solar, and construction trades, offered his view of the end results for investors at the petrochemical industry conference on Friday.

‘The fact is that every time they put the drill bit to the ground, they erode the value of the billions of dollars of previous investments they have made,’ he said in his presentation. ‘It’s frankly no wonder that their equity valuations continue to fall dramatically.’”¹⁹

A 2016 study conducted by Synapse Energy considering the need for the Mountain Valley and Atlantic Coast pipelines found that the regions natural gas supply using existing and upgraded infrastructure is sufficient to meet the maximum demand through 2030.²⁰ Additional new pipelines are not needed.

EQT Financing

Following the financial trouble and drama coming out of EQT is like watching a television episode of Dallas or Yellowstone. It does not paint a stable picture of the company. If FERC fulfills its duties and responsibilities in an unbiased manner, then the shaky financing alone should void the MVP-Southgate Project. What follows is a timeline highlighting EQTs financial shenanigans:

November 2017

Rice Energy was purchased by EQT making EQT the largest U.S. natural gas producer, according to Marcellus Drilling News.

August 2018

In the middle of a family vacation, Rob McNally was summoned to Pittsburgh to interview for EQT’s top job. He got the job after the unexpected departure of EQT’s last CEO, Steve Schlotterbeck. EQT woes continued as the Pittsburgh Post-Gazette reported.

“Things in the drilling fields had gotten off track to the tune of a \$300 million cost overrun, which was revealed in a disastrous call with analysts in late October.

Mr. McNally, then still the company’s CFO, took a hit. He claims he learned of the operating issues late in the quarter and has blamed the EQT’s siloed structure and punitive environment for not being told sooner. Analysts and some former employees have said Mr. McNally either knew or should have known about a derailment that significant.

The morning of the analyst call, the executives were unprepared, said Jimmi Sue Smith, EQT’s CFO. The team didn’t have a cohesive message, she said. Even as the call was beginning, they were still piecing together what had gone wrong.

¹⁹ <https://www.desmogblog.com/2019/06/24/wall-street-journal-reports-ceo-major-shale-oil-company-has-second-thoughts-fracking-rush>, CEO of Major Shale Oil Company 'Has Second Thoughts' on Fracking Rush, Wall Street Journal Reports, S. Kelly, June 24, 2019

²⁰ "Are the Atlantic Coast Pipeline and the Mountain Valley Pipeline Necessary?", Synapse Energy, Sept 12, 2016

"I knew it would be bad," Mr. McNally said. "But I didn't know how bad."

The day of the call, EQT's stock price slid 13 percent.

Mr. McNally officially became the CEO a few weeks later. And in a few more weeks, he'd become a target of a proxy war waged by former Rice Energy founders Toby and Derek Rice, who said Mr. McNally was part of the problem and — nothing personal, but ... — needed to be replaced at once. The logical replacement, they argued, was Toby Rice."²¹

December 2018

Once source told Marcellus Drilling News that EQT is a "total mess."

"'Well, the EQT situation is a total mess.' So began a super secret email to Marcellus Drilling News from a highly-placed source we implicitly trust. Not long after receiving that email, we spotted a press release from the Rice brothers, Toby and Derek, who along with their other two brothers, previously founded and built Rice Energy into a major Marcellus/Utica operator."²²

January 2019

The Pittsburgh Post-Gazette reported on the Rice Brothers efforts to gain control of EQT and recent layoffs.

Nearly a month after the founders of a company acquired by EQT Corp. challenged its CEO to a proxy fight, Rob McNally is fighting back.

In a letter to shareholders issued on Monday — the same day that the Downtown-based oil and gas firm laid off more than 100 employees and promised the cuts would save \$50 million annually — Mr. McNally offered confidence for the company's future and said returning money to shareholders would be among EQT's top priorities for the year.

The letter comes after a long silence from the company which faced public criticism from two former executives of Rice Energy Corp., a company that EQT bought in a \$6.7 billion deal in 2017. Derek and Toby Rice, with the support of at least one hedge fund, want to replace Mr. McNally with Toby Rice and to reconfigure the board of directors.

²¹ "This is the last job EQT CEO Rob McNally wants to have. But will that work?", A. Litvak, Pittsburgh Post-Gazette, July 1, 2019

²² <https://marcellusdrilling.com/2018/12/rice-brothers-attempt-to-take-over-eqt-install-toby-as-ceo/>, "Rice Brothers Attempt to Take Over EQT, Install Toby as CEO", December 11, 2018

Meanwhile, Monday's job cuts follow the layoffs of more than 200 employees in November 2017 after the close of the Rice deal.²³

February 2019

Prior to being laid off on Jan. 7, 2019, two EQT employees allegedly logged onto company computers and stole secrets. Thousands of proprietary documents, ranging from emails to a mission-critical program that tracks all of EQT's wells.²⁴

March 2019

Fitch Ratings changed EQM Midstream Partners and Equitrans Midstream outlook from stable to negative, as reported by Dow Jones & Company, Inc.

June 2019

As The Street posted on its Real Money website section, there is nothing positive about EQT stocks. The site recommended they be avoided. Excerpts from the website point to EQT's financial slide.

"In his second "Executive Decision" segment on *Mad Money* Tuesday night, our own Jim Cramer sat down with Rob McNally, president and CEO of EQT Corp. ([EQT](#)) , the natural gas producer embroiled in a bitter proxy fight with Rice Energy, a company it acquired in 2017.

McNally said since his management team was put in place in November 2018, EQT has split its upstream and midstream businesses and has outperformed their peers. He admitted that in absolute numbers, this has been disappointing for shareholders, as natural gas prices have fallen.

When asked about the proposals made by those backing Rice Energy, McNally said simply that those claims are not based in reality. He said while EQT is drilling fewer wells than before, they still expect 5% production growth this year."

"In the weekly bar chart of EQT, below, we can see a three-year decline for this stock. Prices have remained below the declining 40-week moving average line for much of the past three years.

²³ <https://www.post-gazette.com/business/powersource/2019/01/07/EQT-Rice-layoffs-oil-gas-capital-proxy-hedge-fund-McNally/stories/201901070088> , "EQT management 'up to the challenge,' CEO assures investors after layoffs", A. Litvak, Jan. 7, 2019

²⁴ "Secrets stolen 'in the dark of night.' EQT is going after two employees it laid off last month", A. Litvak, Pittsburgh Post-Gazette, Feb. 21, 2019



Bottom-line strategy: There is nothing positive or constructive about the charts of EQT. Avoid.”²⁵

One of the shareholders of EQT stock has decided to sue the company over alleged fraudulent activities. Marcellus Drilling News reported:

“The Cambridge (Massachusetts) Retirement System is not happy with their investment in EQT shares of stock, so they’re suing the company. They hope to turn the lawsuit into a class action on behalf of other shareholders. Cambridge claims EQT made false and misleading statements about their purchase of Rice Energy—claims about cost efficiencies that never materialized, and claims about the location of Rice leases that were not as close to EQT’s acreage as claimed. In a word, Cambridge is alleging fraud on the part of EQT.”²⁶

July 2019

“Natural gas producer EQT Corp’s largest shareholder on Monday extended its support for the nominees of Toby and Derek Rice, the two brothers who sold their company to EQT more than a year ago and are pressing for changes to its board.

The Rice brothers were part of the founding team at Rice Energy, which was bought by EQT in November 2017. They say EQT management is responsible for the company’s underperformance since the deal and have pushed for an overhaul of its board.”²⁷

²⁵ <https://realmoney.thestreet.com/investing/stocks/eqt-corp-is-likely-to-sink-even-lower-14989102> , "EQT Corp. Is Likely to Sink Even Lower", B. Kamich, Jun 12, 2019 (includes chart)

²⁶ <https://marcellusdrilling.com/2019/06/mass-retirement-fund-sues-eqt-for-plummeting-stock-price/> , “Mass. Retirement Fund Sues EQT for Plummeting Stock Price”, June 27, 2019

²⁷ <https://www.reuters.com/article/us-eqt-corp-shareholders-idUSKCN1TW2K1> , "EQT's largest shareholder sides with Rice nominees in proxy fight", Reuters, July 1, 2019

Toby Rice is named CEO of EQT. Rice ousted former CEO Robert McNally, who was named CEO last year after Steven Schlotterbeck resigned.

August 2019

Jimmi Sue Smith, who became EQT's senior vice president and chief financial officer in November 2018, was terminated — without cause — effective Thursday, according to a Securities and Exchange Commission filing. Earlier in the month, Gary Gould, on the job roughly six months as chief operating officer, abruptly left EQT.²⁸

September 2019

The Pittsburgh Post-Gazette reported that EQT Corp. is laying off 196 employees, nearly one-quarter of its workforce, the Downtown Pittsburgh-based natural gas producer announced Tuesday, September 10. The newly announced layoffs bring EQT's total number of employees down to about 650, compared to more than 900 who were on payroll last year.

WPXI has reported on EQT plans to lay off around 200 as the company's financial instability continues.

"EQT Corp. is readying plans to lay off around 200 employees in a move that could happen sometime this week.

Multiple sources told the Business Times about the plans for the layoffs, which would be a significant portion of the 800 or so employees that are working at the downtown Pittsburgh-based natural gas driller. It would be the second round of layoffs at EQT (NYSE: EQT) since January, when about 100 employees were laid off by the previous management team.

EQT declined comment."²⁹

As you can see from the above timeline, EQT is an unstable company with significant financial problems.

Exports

The DEIS indicates that MVP has said the company has no plans to export natural gas.³¹ Yet, once the natural gas gets to the end of the pipeline, it is no longer up to MVP. MVP has said that themselves. In addition, market forces indicate exporting LNG will increase in the coming years.

"Analysts believe the natural gas market is not trading on demand fundamentals because supply growth continues to far outpace rising consumption. Energy firms are pulling record

²⁸ <https://www.kallanishenergy.com/2019/08/30/smith-ousted-as-eqts-chief-financial-officer/>

²⁹ <https://www.wpxi.com/amp/news/top-stories/pittsburgh-business-hundreds-of-eqt-employees-to-be-laid-off/984509622#referrer=https%3A%2F%2Fwww.google.com&tf=From%20%251%24s>, "Hundreds of EQT employees to be laid off", WPXI, Sept. 9, 2019

³¹ MVP-Southgate DEIS, p. 1-2 or pdf p. 37

amounts of oil from shale formations and with that oil comes associated gas that needs either to be shipped or burned off.”³²

“U.S. Natural Gas supplies will increasingly reach foreign markets in the form of liquefied natural gas, a form of the fuel chilled to its liquid form, mostly for transport by sea. IEA says the U.S. could top Qatar and Australia as the world’s top LNG exporter by 2024.

IEA expects new LNG capacity from the U.S., Australia and Russia will make up 90% of export growth.”³³

In a November 2016 Roanoke Times article, it was reported that “[t]wo years ago, WGL Midstream and Vega Energy Partners signed a 20-year natural gas sales agreement with a U.S.-based subsidiary of GAIL Ltd., a natural gas company in India, to supply natural gas for export through the Dominion Cove Point liquefied natural gas export facility in Maryland. WGL reported that “the majority of the natural gas would be purchased by WGL Midstream through an existing arrangement with Antero Resources Corp. In a June 2015 email, Ruben Rodriguez of WGL affirmed that most of the natural gas for the GAIL agreement would be supplied by Antero but noted that “natural gas from the Mountain Valley Pipeline could be part of the remaining GAIL supply portfolio.”³⁴

In the Roanoke Times article, Natalie Cox, a spokeswoman for Mountain Valley Pipeline, noted “The proposed MVP terminates at Transco’s station 165, at which time the shippers determine where their portion of the gas will be used.”³⁵

The DEIS further states, “The nearest LNG export terminal to the terminus of the Project would be the existing Cove Point LNG terminal on the Chesapeake Bay in Calvert County, Maryland, about 190 miles away. There is no direct connection from the Project terminus in Alamance County, North Carolina to the Cove Point terminal.”³⁶ As FERC should be quite aware, pipelines criss cross throughout the United States. Natural Gas via the MVP and MVP Southgate Projects finding its way overseas is clearly possible.

That MVP would have to seek approval if the project is expanded to export natural gas is no substitute for review now. At that point, the MVP Southgate would have already been completed. There has to be more of a guarantee that exportation will not be needed to financially sustain this project.

Section 106

More effort is required to contact and seek input from the tribes. Just because there was no response is not sufficient. Per NEPA §1501.2 (2), FERC is obligated to consult early with Indian tribes. Federal and FERC guidance also requires that FERC must reach out to tribes, not just the project sponsor – MVP

³² <https://www.reuters.com/article/us-usa-natgas-prices-analysis/us-natural-gas-demand-is-at-a-record-and-prices-keep-dropping-idUSKCN1UY27V>, U.S. natural gas demand is at a record - and prices keep dropping, Reuters, August 8, 2019

³³ <https://www.cnbc.com/2019/06/07/the-global-boom-in-natural-gas-demand-is-about-to-slow-iea-says.html>, CNBC, The global boom in natural gas demand is about to slow, the International Energy Agency says, June 7, 2019

³⁴ https://www.roanoke.com/business/news/wgl-midstream-acquires-larger-stake-in-mountain-valley-pipeline-project/article_cdaa8c18-6567-5e52-ae61-5c2293f273e2.html

³⁵ Ibid.

³⁶ MVP-Southgate DEIS, p. 1-2 or pdf p. 37

in this case. **We are requesting under the Freedom of Information Act all communications between FERC and the tribes.**

In the DEIS, it is stated that, "A private citizen of Virginia, Ann Rodgers, suggested that we consult with the Cheyenne River Sioux Tribe and the Rosebud Sioux Tribe of South Dakota about the Project. However, when Mountain Valley reached out to the Cheyenne River Sioux Tribe and the Rosebud Sioux Tribe, these two tribes did not respond to correspondence."³⁷

Executive Order 13175 (2000), Consultation and Coordination with Tribal Governments lists as one of its purposes "to strengthen the United States' government-to-government relationships with Indian tribes..." Thus, the government-to-government consultation process continues to embody the unique relationship between the United States and Indian tribes.

FERC's own procedures require consultation:

"The Commission does not delegate its government-to-government Tribal consultation responsibilities. Within the context of our governing statutes (e.g., the NGA), the FERC has a trust responsibility to federally recognized Tribes, as described more fully in the FERC's Policy Statement on Consultation with Indian Tribes in Commission Proceedings.¹⁹ Tribes may also have additional interests beyond the identification and treatment of cultural resources, and those concerns may be of a larger environmental, socio-economic, or health context. If a Tribe does not wish to communicate or coordinate with the project sponsor, the Commission will consult directly with the Tribes. While a project sponsor is expected to reach out to Tribes early in its application planning stage, the FERC typically initiates consultation when the FERC staff has enough information to initiate its NEPA process and issues a Notice of Intent to Issue an Environmental Document. Additionally, project-specific letters from the FERC staff to Tribes may be issued on a project-by-project basis."³⁸

It further states:

"If no response is received from a Tribe within 30 days after the request for comments is sent that does not necessarily mean that the Tribe does not have interest. The project sponsor or its consultant should follow-up with a telephone call, email, or other means, to verify that the appropriate Tribal representative has received the information, and either doesn't require any further information or has no comments."³⁹

The courts have made it clear that a federal agency must fulfill its obligation to consult. *City of Phoenix, Arizona v. Huerta*, 869 F.3d 963 (D.C. Cir. 2017)

FERC's duty here is inescapable.

BREDL will submit additional comments on Section 106.

³⁷ MVP-Southgate DEIS, p. 4-146 or pdf p. 276

³⁸ <https://www.ferc.gov/industries/gas/enviro/guidelines/cultural-guidelines-final.pdf>, "Guidelines for Reporting on Cultural Resources Investigations for Natural Gas Projects", July 2017, p.9

³⁹ Ibid. p. 11

Cumulative Air Quality Impacts

Why we need a cumulative air quality impact assessment at Transco Village

The Lambert compressor station is proposed for construction as part of the Southgate pipeline at Transco Village in Chatham, VA. As stated in the Southgate DEIS, the proposed construction site of the Lambert compressor is approximately 0.62 mile from Transco Compressor Station 165 and about 600 feet from Lambert Compressor Station 166.

Anticipated air pollution from the Lambert compressor station, combined with air pollution from Transco Compressors 165 and 166, will cumulatively exceed threshold levels under PSD/NNSR Major Source for NO_x, CO, and Total HAPs, as well as thresholds levels under Title V for NO_x, CO, VOC, and Total HAPs. FERC must perform a cumulative impacts assessment to quantify the air pollution impacts of adding the Lambert compressor station to the two existing compressors at Transco Village. We understand that permitting under PSD/NNSR Major Source and Title V is conducted on a “per facility” basis. However, this does not exonerate FERC from considering cumulative impacts of all three compressors, all of which will be confined to a space less than a mile in length.

Paradoxically, the Article 6 Air Permit Application for the Lambert Compressor Station, submitted by Southgate developer Mountain Valley Pipeline, LLC in November 2018 states on page 9-23, “Because operation of the Southgate Project, along with the other existing and proposed major Title V projects/facilities, will be regulated by the VADEQ and NCDEQ through the air permitting process, the cumulative effects of the operation of the Project with other projects is not expected to result in adverse air quality impacts.” Here it appears that the permitting processes of the state DEQs are being proffered by Mountain Valley Pipeline, LLC as a substitute for a cumulative impact assessment of co-locating three compressor stations in a very confined geographic area.

The need for FERC to perform this cumulative impact assessment is supported by Virginia Department of Environmental Quality (DEQ)’s comments to the Southgate DEIS, which state, “In section 5.1.11 they discuss conducting modeling to demonstrate compliance with all air standards. It should be noted the modeling conducted did not account for any nearby sources or background emissions.”

A cumulative impacts assessment must be performed by FERC to prevent the creation of an “air pollution ghetto” in the rural community surrounding Transco Village in Chatham, VA. Wilma Subra, who served for seven years as vice-chair of the EPA’s National Advisory Council for Environmental Policy and Technology, and for six years on the EPA’s National Environmental Justice Advisory Council, documented the following health threats to families living near compressor stations (source: Southwest Pennsylvania Environmental Health Project, Summary on Compressor Stations and Health Impacts, February 24, 2015):

Acute Health Impacts Experienced by Individuals Living and Working near Compressor Stations

tension and nervousness
joint and muscle aches and pains
vision impairment
personality changes
depression, anxiety
irritability
confusion
drowsiness
weakness
irregular heartbeat
irritation to skin, eyes, nose, throat and lungs
respiratory impacts
sinus problems

allergic reactions
headaches
dizziness, light headedness
nausea, vomiting
skin rashes
fatigue
weakness

Chronic Health Impacts Experienced by Individuals Living and Working Near Compressor Stations

damage to liver and kidneys
damage to lungs
damage to cardiovascular system
damage to developing fetus
reproductive damage
mutagenic impacts
developmental malformations
damage to nervous system
brain impacts
leukemia
aplastic anemia
changes in blood cells and clotting.

Transco compressor renovations

Transco Compressor 166 was completed in 2018. Transco Compressor 165 is currently in the planning process for major renovation, with expected completion date of June, 2021. The permitting process for this renovation is still in progress, and there is potential that Virginia DEQ may deny the permit or require that it be amended. For this reason, it is necessary to acknowledge that the combined air pollution outputs of Transco stations 165 and 166 consist of two sets of figures, one “before renovation”, i.e. the existing outputs, and another “after renovation”, reflecting drastically reduced pollution outputs resulting from equipment upgrades.

For this reason, we offer the following table to illustrate the “before” and “after” pollution scenarios anticipated at Transco Village. Table 2.1 is taken from the Transco Southeastern Trail Project Air Permit Application (source: Transcontinental Gas Pipeline Company, LLC, Southeastern Trail Project, Air Permit Application, Compressor Station 165, June 20, 2018, Table 2-1, p.4).

TABLE 2.1 POTENTIAL EMISSIONS CHANGE FOR STATIONS 165 & 166 (TONS/YR)

Potential Emissions	NO _x	CO	VOC	PM	PM ₁₀	PM _{2.5}	SO ₂	Total HAPs
Existing Stations 165 and 166 Potential Emissions	3,746.10	1,026.40	251.20	60.30	60.30	60.30	10.10	73.49
Potential Emissions Increase From New Equipment	92.75	33.08	17.28	11.67	11.67	11.67	6.00	3.56
Potential Emissions Decrease For M/L 1 – M/L 10 Shutdown	(3,222.00)	(668.00)	(159.00)	(36.00)	(36.00)	(36.00)	(2.20)	(53.31)
Post Project Potential Emissions From Stations 165 and 166	616.85	391.48	109.48	35.97	35.97	35.97	13.90	23.74

In light of the information provided by Transcontinental Gas Pipeline Company in Table 2.1, above, it is very concerning to BREDL that the Southgate DEIS drastically underreports the air pollution levels anticipated to be emitted by Transco Compressors 165 and 166. This underreporting, occurring in Table 4.13-6 from the Southgate DEIS (copied below), must be corrected so that the Southgate FEIS more accurately reflects the data offered by Transcontinental Gas Pipeline Company.

TABLE 4.13-6					
Potential Annual Emission Rates Associated with the Southgate Project and Transco Compressor Station 165 and 166 (tons per year)					
	NOx	CO	VOC	SO ₂	PM _{2.5} /PM ₁₀
Lambert Compressor Station	34.9	58.6	8.4	5.4	10.4
Transco Compressor Station 165 <u>a/</u>	182.3	207	35.4	12	23.3
Transco Compressor Station 166 <u>b/</u>	32.4	29.49	3.2	5.16E-02	2.1/3.8
a/ Source: FERC 2019					
b/ Source: FERC 2016					

Thresholds will be exceeded

To illustrate the facts supporting the need for a cumulative air quality impact assessment, BREDL offers the following chart, which has been compiled using data from the Lambert revised permit application (source: Mountain Valley Pipeline, LLC, Lambert Compressor Station, Southgate Project, Article 6 Air Permit Application, Revision 1, April 25, 2019) and the Transco permit application for renovation of Transco compressor 165 (source: Transcontinental Gas Pipeline Company, LLC, Southeastern Trail Project, Air Permit Application, Compressor Station 165, June 20, 2018). As can be seen by comparing the chart below with Table 2.1, above, we have used the “after renovation” air pollution outputs from Transco Compressor 165 as the basis of our calculations. Even after accounting for the drastic air quality improvements anticipated through renovation of Transco Compressor 165, the combined pollution from the three compressors at Transco Village will exceed thresholds for NOx, CO, and Total HAPs.

Cumulative air pollution impacts of 3 compressors at Transco Village meet 7 threshold criteria

Source	NOx	CO	VOC	PM	PM10	PM2.5	SO2	Total HAPS
MVP Lambert	34.86	58.58	8.44	10.35	10.35	10.35	5.38	4.52
Transco 165/166	616.85	391.48	109.48	35.97	35.97	35.97	13.90	23.74
TOTAL	651.71	450.06	117.92	46.32	46.32	46.32	19.28	28.26
PSD/NNSR Major Source Threshold (tons/year)	250	250	250	n.a.	250	250	250	25
Does TOTAL meet threshold under PSD/NNSR?	yes	yes	no	n.a.	no	no	no	yes
Title V permit (40 CFR 70) major source threshold	100 of any air pollutant	100 of any air pollutant	100 of any air pollutant	100 of any air pollutant	100 of any air pollutant	100 of any air pollutant	100 of any air pollutant	25

Does TOTAL meet threshold under Title V?	yes	yes	yes	no	no	no	no	yes
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It should be reiterated that BREDL recognizes that permitting under the two programs cited in the chart above, PSD/NNSR Major Source and Title V (40 CFR 70), is conducted on a “per facility” basis which does not take into account the outputs of neighboring facilities. However, the requirements under NEPA for consideration of cumulative impacts in cases such as we see developing at Transco Village are clear and unequivocal.

Hazardous air pollutants

As illustration of what is meant by “Total HAPS” in the chart, above, we offer the following chart providing a detailed list of the Hazardous Air Pollutants (HAPs) anticipated as combined emissions from the three compressors at the Transco Village site. Please note that the figures in this chart reflect the improved emissions that are anticipated after the renovation of Transco compressor 165.

Lambert and proposed Transco Stations 165 & 166 potential emissions – after renovations of Transco compressor 165 (source: Transcontinental Gas Pipeline Company, LLC, Southeastern Trail Project, Air Permit Application, Compressor Station 165, June 20, 2018)

LAMBERT			TRANSCO 165/166		
Hazardous Air Pollutants (HAPs)	AP-42 Emission Factor (1) lb/MMBtu	Facility PTE tons/yr	Post Project Potential to Emit (tons/yr)	TPY	lbs/yr
				TOTAL	TOTAL
VOC-HAP					
Acetaldehyde	4.00E-05	0.115	2.01	2.125	4,250.00
Acrolein	6.00E-06	0.0184	1.56	1.5784	3,156.80
Benzene	1.20E-05	0.0345	0.09	0.1245	249.00
1,3-Butadiene	0.00E+00	0.0124	0.00159	0.01399	27.98
Dichlorobenzene		0.000004		0.000004	0.01
Ethylbenzene	3.20E-05	0.092	0.12	0.212	424.00
Formaldehyde	7.10E-04	3.47	18.93	22.4	44,800.00
Hexane		0.00595	0.17	0.17595	351.90
Naphthalene	1.00E-06	0.00374	0.00253	0.00627	12.54
PAH	2.00E-06	0.00632	0.00396	0.01028	20.56
Propylene Oxide	2.90E-05	0.0834	0.05	0.1334	266.80
Toluene	1.30E-04	0.374	0.48	0.854	1,708.00
Xylenes	6.40E-05	0.184	0.31	0.494	988.00

Thank you for your prompt attention to this matter.

Restrict Burning on Moderate PM 2.5 Forecasted Days in the Region

The DEIS (p. 4-193 or pdf p. 323) mentions that open burning will be used to dispose of land clearing debris. To lessen severe health impacts, especially to sensitive populations, open burning must be restricted to days when regional particulate matter is forecasted to be low.

Sources of fine particles (PM 2.5) include all types of combustion activities (motor vehicles, power plants, wood burning, etc.) and certain industrial processes. PM 2.5 is associated with increased premature deaths and is especially harmful to people with lung disease such as asthma and chronic obstructive pulmonary disease (COPD), including chronic bronchitis and emphysema, as well as people with heart disease. Exposure to particulate air pollution can trigger asthma attacks and cause wheezing, coughing, and respiratory irritation in individuals with sensitive airways. An estimated 200,000 people die early deaths each year in the U.S. because of PM 2.5 exposure.

Researchers have found that for every increase of five micrograms per cubic meter of PM 2.5 pollution, the risk of lung cancer rose by 18%, and for every increase of 10 micrograms per cubic meter in PM 10 pollution the risk increased by 22%.⁴⁶ An earlier study found for each 10 µg/m³ increase in PM_{2.5} concentrations there was an associated 15–27% increase in lung cancer mortality.⁴⁷

Safety

The DEIS states, “In accordance with DOT regulations, the proposed facilities would be regularly inspected for leakage and potential pipeline hazards such as construction activity, encroachments, and evidence of recent unmonitored excavations as part of scheduled operations and maintenance, including:

- physically walking and inspecting the pipeline corridor periodically;
- conducting fly-over inspections of the right-of-way as required;
- inspecting and maintaining MLVs and meter stations; and
- conducting leak surveys at least once every calendar year or as required by regulations.”⁴⁸

Please define “periodically” and “as required”.

Additional Comments

Erosion and Sediment Control

The DEIS states, “The Project would cross about 1.8 miles of slopes greater than 30 percent. Mountain Valley has developed construction methods for rugged terrain, which include slopes that typically exceed 30 to 35 percent, to allow for the safe operation of equipment, and prevention of severe erosion.” (DEIS, p. 77)

⁴⁶ European study, codenamed Escape, July 2013

⁴⁷ American Journal of Respiratory and Critical Care Medicine, 2011

⁴⁸ DEIS, p. 4-227 or pdf p. 357

With all due respect, after what has occurred along the MVP mainline, we have no faith that MVP's Erosion and Sediment Control Plan (E&SC Plan) and Best Management Practices (BMPs) (DEIS, p. 28) will work and pose "no permanent effects to surface or ground water." (DEIS, p. 30)

Endangered and Threatened Species

According to the DEIS MVP/FERC would like to use the DEIS as the Biological Assessment for the project.⁴⁹ We strongly object to this. We respectfully request that the FWS require and complete the proper Biological Assessment. An assessment that – unlike this DEIS - is not lacking in species surveys.

Working 24-Hour a day

Longstanding policy of the Federal Energy Regulatory Commission (FERC) is to cooperate with local jurisdictions. As stated in the MVP Southgate DEIS, "the FERC encourages cooperation between applicants and state and local authorities⁵⁰..." This statement is in consonance with FERC policy under sections 3 and 7 of the Natural Gas Act⁵¹.

However, instead of respecting local governments' ordinances that were put in place to promote the health, safety and general welfare of its citizens, FERC is allowing MVP to upend this protection. The DEIS stated that "Mountain Valley is in discussion with Pittsylvania County to assess applicability of the Pittsylvania County Noise Ordinance with regards to 24-hour construction at the Lambert Compressor Station."⁵²

MVP does not need to work 24 hours a day to construct a compressor station. Buildings and facilities go up every day all over this country without continuous noisy work going on 24 hours a day. Let the residents and animals near the compressor station get a good nights sleep.

Property Values

The DEIS stated, "Our review of available studies indicates that the Project is not likely to have a significant adverse impact on property values."⁵³

BREDL research indicates that property values have plunged for some landowners who signed easements for the Atlantic Coast Pipeline in Highland and Nelson Counties, Virginia. In Nelson County, we found three properties that averaged a reduction in property value of 32.5%. In Highland County, many properties with signed easements decreased in value on an average of 7%.⁵⁴

⁴⁹ DEIS. P. 31.

⁵⁰ DEIS, p. 1-16 or pdf p. 51

In some cases, Mountain Valley and Equitrans would obtain applicable state and local permits or authorizations, as required under specific state and county laws and regulations in order to allow the MVP and EEP to move forward. The FERC encourages cooperation between applicants and state and local authorities; however, state and local agencies, through the application of state and local laws, may not prohibit or unreasonably delay the construction or operation of facilities approved by the FERC. Any state or local permits issued with respect to jurisdictional facilities must be consistent with the conditions of any authorization issued by the FERC.

⁵¹ The Natural Gas Act, State Environmental Policy, and the Jurisdiction of the Federal Circuit Courts, Channing Jones, COLUMBIA JOURNAL OF ENVIRONMENTAL LAW, p. 7

⁵² DEIS, p. 344

⁵³ DEIS, p. 32

⁵⁴ <http://bredl.org/theleagueline/Spring2018.pdf#page=10>, "Property Values Plunge for Some Landowners Who Signed Easements for the Atlantic Coast Pipeline in Highland and Nelson Counties, VA", S. Ponton, Spring 2018

No Action Alternative

We respectfully request the Commission to choose the No Action Alternative and deny the Certificate for the Mountain Valley Pipeline, LLC Southgate Project. This project is not needed and does not serve the public convenience and necessity.

Respectfully submitted,

A handwritten signature in dark ink, appearing to read "Mark E. Barker". The signature is written in a cursive, flowing style.

Mark E. Barker
Executive Assistant, BREDL