



July 20, 2023

Ms. Kimberly D. Bose, Secretary
Federal Energy Regulatory Commission
888 First Street NE
Washington, D.C. 20426

Subject: MVP Southgate Docket No. CP19-14-002

Dear Secretary Bose:

As North Carolina State Treasurer, Chairman of the Local Government Commission and Chairman of the Banking Commission, I have spent the past six years working to protect and sustain taxpayer resources while promoting fiscally responsible measures that achieve maximum value for the people of our state. The MVP Southgate project is critically important to preserving and advancing our economic stability and growth. I am writing today to express my full support for the Federal Energy Regulatory Commission (FERC) to extend the project's completion date to June 18, 2026.

The companies in the Mountain Valley Pipeline, LLC (MVP) joint venture announced the MVP Southgate project in 2018, with plans to bring the underground pipeline into service to serve North Carolina homes and businesses by the end of 2020. Unfortunately, opponents of the separate Mountain Valley Pipeline in West Virginia and Virginia successfully stalled construction of that project through a series of lawsuits and permit challenges. Those delays also have kept MVP Southgate from starting construction. Additional bureaucratic red tape, including the North Carolina Department of Environmental Quality's repeated and misguided denial of water quality certification for MVP Southgate, has served only to extend the delay.

I am deeply concerned by these delays and their potential impact on North Carolinians, particularly those of low to moderate income. We must advocate for the invisible citizens of this state. Insufficient energy infrastructure and a lack of diversity in interstate natural gas supply pose a threat to North Carolina's ability to support its tremendous population growth, high quality of life and status as a great state for business. We have worked hard to maintain a AAA bond rating, providing significant savings to taxpayers, and helped secure the state's No. 1 ranking on CNBC's list of top states for business in the U.S. for the second year in a row. Our ability to maintain these achievements could be jeopardized without adequate supplies of affordable and reliable clean energy such as natural gas.

Right now, we rely on a single interstate transmission pipeline system for natural gas. We have 80,000 miles of roads and 35,000 miles of natural gas pipelines in North Carolina. We spend billions on building and maintaining the roads and highways we travel on every day. It's equally important that we need to build and support the infrastructure that we do not see, like underground pipelines, that are just as vital to the economic growth of the state.

We all remember the cyberattack in 2021 that disabled the Colonial Pipeline system, leaving us without a reliable supply of gasoline and diesel fuel. We must have a dependable system in place to supply our energy needs and that includes MVP Southgate. Natural gas transported through MVP Southgate is essential for residential heating and cooking, manufacturing and other commercial uses, and can affordably cut carbon emissions by replacing coal for electricity generation.

Additionally, local governments in Alamance and Rockingham counties will benefit greatly through construction and operation of the proposed MVP Southgate. Construction will support an estimated 1,130 jobs in North Carolina and generate \$6.3 million in state and local tax revenues. The pipeline will generate an estimated \$3.4 million in new ad valorem tax revenue every year for North Carolina localities after it begins operating. These funds and jobs will be vital to helping fuel the economic engine that supports tax revenue and job growth at a local level.

As Chairman of both the Local Government Commission and the State Banking Commission, I see the need for additional energy resources in our cities and counties daily. With the loss of the furniture, textile and tobacco industries the availability of reliable energy supplies in rural North Carolina is critical to attracting new business to these areas. New businesses create jobs and increased tax revenue, improving the fiscal health of our local governments. Additionally, while our state banks are exceptionally stable and strong, new energy supplies are essential for future industrial and residential growth leading to even greater financial stability for the state's banking system.

There is no real dispute that MVP Southgate is needed. FERC and the North Carolina Utilities Commission have recognized there is a clear public need for the MVP Southgate project. Most of the project's right of way has been acquired, and it is broadly supported by a wide range of stakeholders, including the NC Chamber, Senate President Pro Tempore Phil Berger and 28 other state senators, and many other local and state business and advocacy groups. Since FERC issued a certificate of public convenience and necessity for MVP Southgate in June 2020, the public case for it has increased.

The Atlantic Coast Pipeline project, another interstate transmission pipeline proposed to bring natural gas into eastern North Carolina, was abandoned in July 2020 by its developers in the face of continued lawsuits from opponents. Opposition to that project destroyed significant economic potential in Eastern North Carolina where it is desperately needed. In addition, energy prices have become more volatile since Russia's invasion of Ukraine last year, and there is greater demand for existing domestic natural gas supplies. Last month, Congress and the president acknowledged there is "demonstrated natural gas demand" in states including North Carolina and specifically declared the MVP to be in the national interest.

The MVP Southgate project must be built. FERC should approve a three-year extension of the project's completion date, as Mountain Valley has requested, so this important project can be completed to meet public demand for more affordable and reliable clean energy.

Respectfully,

A handwritten signature in black ink that reads "Dale R. Folwell, CPA". The signature is written in a cursive, flowing style.

Dale R. Folwell, CPA
State Treasurer of North Carolina