



December 3, 2018

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

Re: Mountain Valley Pipeline, LLC

Southgate Project

Docket No. CP19-14-000

Dear Ms. Bose:

On November 21, 2018, the Office of Energy Projects of the Federal Energy Regulatory Commission issued an accounting data request to Mountain Valley Pipeline, LLC ("Mountain Valley") with respect to Mountain Valley's certificate application in the captioned docket. Mountain Valley submits herein its responses to the data request. Mountain Valley has also attached the verification executed by the respondent.

If you have any questions, please do not hesitate to contact me at 202-347-7127 or william.lavarco@nee.com.

Respectfully submitted,

Mountain Valley Pipeline, LLC

NextEra Energy Pipeline Services, LLC, By:

its attorney-in-fact

By: /s/ William Lavarco William Lavarco Senior Counsel

Attachments

Cc: All parties

Lara Santiago, OEP

VERIFICATION

Pursuant to Rule 2005 of the Rules of Practice and Procedure of the Federal Energy Regulatory Commission ("Commission"), 18 C.F.R. § 385.2005, James J. Sabol, being duly sworn, upon his oath says that he is Senior Project Engineer; that he has read and is familiar with the foregoing updated response to the Commission's November 21, 2018 data request; that the contents of the response is true and correct to the best of his knowledge, information and belief; and that he has full power and authority to prepare the response and execute this verification.

James J. Sabol

Senior Project Engineer

Subscribed and sworn before me this 24 day of November 2018.

Notary Public

COMMONWEALTH OF PENNSYLVANIA

NOTARIAL SEAL Vanessa Rose Serafini, Notary Public City of Pittsburgh, Allegheny County My Commission Expires Feb. 24, 2020

MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

Mountain Valley Pipeline, LLC Mountain Valley Pipeline Project Docket No. CP19-14-000

Responses to FERC Office of Energy Projects Data Requests Dated November 21, 2018

Request:

- 1. In Exhibit K, Mountain Valley estimates total capitalized Allowance for Funds Used During Construction (AFUDC) for the Southgate Project to be \$28,097,532. Please provide the following in Microsoft Excel:
 - i. The worksheet computations on a monthly basis to support the \$28,097,532 of AFUDC. Separately identify the debt/equity components.
 - ii. The computation and methodology to support the debt/equity cost rates used to derive the AFUDC rate.

The worksheets and/or files should retain all notes and any formulas supporting the calculation.

Response:

The requested information is included in the worksheets in Attachment OEP 11-21-2018 DR1-1.

Respondent: James J. Sabol Position: Senior Project Engineer Phone Number: 412.395.3597

Date: November 29, 2018

Mountain Valley Pipeline, LLC Mountain Valley Pipeline Project Docket No. CP19-14-000

Responses to FERC Office of Energy Projects Data Requests Dated November 21, 2018

Request:

2. In Exhibit K, Mountain Valley estimates the total capitalized contingency cost to be \$21,635,820. Please provide details explaining how the estimate was developed and identify the types of costs that comprise this estimate.

Response:

Exhibit K includes the total estimated cost to construct the Southgate Project. The total capitalized contingency that was included in Exhibit K represents approximately 5% of the total cost of facilities (excluding AFUDC); a standard assumption when detailed estimates are available.

Capitalized contingency represents costs that are expected to be incurred due to project risks, issues, or changes that could occur up until project completion. The potential costs are captured in a single budget line item, as shown in Exhibit K, due to the inherent uncertainty of forecasting in which budget areas these additional costs may be incurred. As risks or issues are encountered, contingency will be reduced and respective budget lines will increase. Specific examples of capitalized contingency cost include, but are not limited to:

- Increased construction costs due to labor unavailability and/or high industry workload
- Project delays and related increased costs due to:
 - o Unanticipated environmental or cultural issues
 - o Permitting issues
 - o Inclement weather
- Adjustments to project scope to resolve environmental or other stakeholder concerns
- Changes during construction to resolve material, design, or engineering issues

Respondent: James J. Sabol Position: Senior Project Engineer Phone Number: 412.395.3597 Date: November 29, 2018

Attachment OEP 11-21-2018 DR1-1