

By-Lined Article

PENNSYLVANIA PUBLIC UTILITY COMMISSION TO OVERSEE ALL NATURAL GAS PIPELINES UNDER MEASURE HEADED FOR LEGISLATIVE APPROVAL

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Marcellus Shale Law and Policy Update

Thousands of natural gas lines added with the development of the Marcellus Shale in Pennsylvania cannot be overseen by the Pennsylvania Public Utility Commission (PUC). The PUC's Gas Safety Division enforces federal and PUC pipeline safety regulations as they apply to certificated natural-gas utilities in Pennsylvania, and acts as an agent for the federal Office of Pipeline Safety and the U.S. Department of Transportation. However, legislation likely to receive quick approval by the state House and Senate would end that regulatory restriction by giving the PUC jurisdiction for audit and safety inspections over all intrastate gathering, distribution and transmission lines. The legislation has the support of industry and environmental groups, according to its sponsor, state Rep. Matt Baker (R-Bradford).

"It's been a yearlong process of making sure all the stakeholders had a say in the legislation," Baker said. "We're confident it will get [to] the governor's desk quickly." The legislation would give the PUC the same oversight authority now held by the federal Department of Transportation Pipeline and Hazardous Materials Safety Administration (PHMSA), according to Baker. "The regulatory language stays pretty much the same, but the players are different," he said.

Presently, the commission only has jurisdiction over lines owned by a gas company classified as a public utility. "The utility lines we have jurisdiction over are a small percentage of 40,000 miles of natural gas pipeline in the state right now," said Denise McCracken, PUC press secretary. McCracken said that the PUC has eight pipeline

safety inspectors. It estimates that 13 more would be needed to fulfill the additional pipeline safety responsibilities.

Under the bill, the federal government will reimburse the PUC up to 80 percent of the costs to hire the additional inspectors. The legislation, H.B. 344, has been referred to the Consumer Protection and Professional Licensure Committee and may be before Governor Tom Corbett this spring.

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