

“What keeps you up at night?”

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Pipeline Safety Bill Unanimously Passed by Pennsylvania Senate

By Elizabeth U. Witmer

SUMMARY

Bill granting the Pennsylvania Public Utility Commission powers to inspect pipelines and facilities passes PA Senate; will go to the PA House for concurrence.

The Pennsylvania Senate unanimously passed an amended version of Rep. Matt Baker's bill, House Bill 344, on December 13, 2011. The bill now goes back to the Pennsylvania House for concurrence.

The bill as passed by the Senate grants the Pennsylvania Public Utility Commission the power to register, assess and inspect natural gas and hazardous liquids pipelines and facilities, but not those that are under the exclusive jurisdiction of the Federal Energy Regulatory Commission. The Commission may enact regulations, but those regulations “shall not be inconsistent with or greater or more stringent than the minimum standards and regulations adopted under the Federal Pipeline Safety Law.”

The bill does not address the siting of pipelines or pipeline facilities and specifically states that “[n]othing in this Act grants the Commission additional authority to determine or regulate a pipeline operator as a public utility as defined in 66 Pa.C.S. §102 (relating to definitions) or as a natural gas supplier or natural gas supply services as defined in 66 Pa. C.S. §2202 (relating to definitions).” The Commission has decided in at least one case that a midstream natural gas operator who provides services only to natural gas producers is a “public utility.” Although that application was eventually withdrawn by the operator, the Commission refused to rescind its order containing that decision. That question is on appeal to the Pennsylvania Commonwealth Court and is at issue in at least two other cases currently pending before the Commission.

For further information about the regulation of natural gas and hazardous liquids pipelines in Pennsylvania, whether regulated by the Federal Energy Regulatory Commission or the Pennsylvania Public Utility Commission, please contact Elizabeth Witmer.

This Alert was written by Elizabeth U. Witmer, Co-Chair of the firm's Oil and Gas Practice Group. Elizabeth can be reached at 610.251.5062 or ewitmer@saul.com. This publication has been prepared by the Oil and Gas Practice Group for information purposes only.

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