
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 488 Session of
2017

INTRODUCED BY BAKER, YUDICHAK, RAFFERTY, MENSCH, SCHWANK,
BREWSTER AND BLAKE, MARCH 6, 2017

REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE,
MARCH 6, 2017

AN ACT

1 Providing for rural natural gas and hazardous liquids pipelines
2 and for powers and duties of the Pennsylvania Public Utility
3 Commission; and imposing civil penalties and assessments.

4 TABLE OF CONTENTS

5 Chapter 1. Preliminary Provisions

6 Section 101. Short title.

7 Section 102. Definitions.

8 Section 103. Applicability.

9 Chapter 3. Rural Pipeline Operators

10 Section 301. Registry of rural pipeline operators.

11 Chapter 5. Commission Authority and Enforcement

12 Section 501. General powers of commission.

13 Section 502. Civil penalties.

14 Section 503. Assessments.

15 Section 504. Jurisdiction and authority of commission.

16 Chapter 11. Miscellaneous Provisions

17 Section 1101. Effective date.

18 The General Assembly of the Commonwealth of Pennsylvania

1 hereby enacts as follows:

2 CHAPTER 1

3 PRELIMINARY PROVISIONS

4 Section 101. Short title.

5 This act shall be known and may be cited as the Rural
6 Pennsylvania Pipeline Safety Act.

7 Section 102. Definitions.

8 The following words and phrases when used in this act shall
9 have the meanings given to them in this section unless the
10 context clearly indicates otherwise:

11 "Commission." The Pennsylvania Public Utility Commission.

12 "Federal pipeline safety laws." The provisions of 49 U.S.C.
13 Ch. 601 (relating to safety), the Hazardous Liquid Pipeline
14 Safety Act of 1979 (Public Law 96-129, 93 Stat. 989), the
15 Pipeline Safety Improvement Act of 2002 (Public Law 107-355, 116
16 Stat. 2985) and the regulations promulgated under the acts.

17 "Gathering or gathering pipeline." A pipeline or pipeline
18 facility used to transport natural gas or hazardous liquids
19 between a production pipeline and a regulated pipeline.

20 "Natural gas or hazardous liquids." Natural gas, petroleum,
21 a petroleum product or other hydrocarbon produced from an
22 unconventional formation.

23 "Person." An individual, firm, joint venture, partnership,
24 corporation, association, municipality, cooperative association
25 or joint stock association, including any trustee, receiver,
26 assignee or personal representative thereof. The term does not
27 include a public utility.

28 "Pipeline." All or any part of the physical facilities
29 through which natural gas or hazardous liquids move in
30 transportation, including a pipe, valve and other appurtenance

1 attached to the pipe, compressor unit, metering station,
2 regulator station, delivery station, holder and fabricated
3 assembly. The term only includes a pipeline or portion thereof
4 which is not subject to specific regulation under the Federal
5 pipeline safety laws. The term does not include a pipeline
6 subject to the exclusive jurisdiction of the Federal Energy
7 Regulatory Commission.

8 "Pipeline facility." A new or existing pipeline, right-of-
9 way and any equipment, facility or building used in the
10 transportation of natural gas or hazardous liquids or in the
11 processing or treatment of natural gas or hazardous liquids
12 during the course of transportation of such natural gas or
13 hazardous liquids. The term does not include a pipeline facility
14 subject to the exclusive jurisdiction of the Federal Energy
15 Regulatory Commission.

16 "Production or production pipeline." A pipeline or pipeline
17 facility used to transport natural gas or hazardous liquids
18 between an unconventional well and a gathering pipeline,
19 provided that the end of production and the start of gathering
20 begins at the edge of the well pad or the first meter from the
21 well, whichever is nearer to the well.

22 "Public utility." The term shall mean:

23 (1) A public utility as defined in 66 Pa.C.S. § 102
24 (relating to definitions).

25 (2) A city natural gas distribution operation as defined
26 in 66 Pa.C.S. § 102.

27 "Regulated pipeline." A pipeline or pipeline facility that
28 is:

29 (1) subject to the exclusive jurisdiction of the Federal
30 Energy Regulatory Commission;

1 (2) used to provide public utility service and regulated
2 by the commission; or

3 (3) regulated by the commission under the act of
4 December 22, 2011 (P.L.586, No.127), known as the Gas and
5 Hazardous Liquids Pipelines Act.

6 "Rural pipeline operator." A person that owns or operates
7 one or more gathering pipelines or pipeline facilities in this
8 Commonwealth.

9 "Unconventional formation." A geological shale formation
10 existing below the base of the Elk Sandstone or its geologic
11 equivalent stratigraphic interval where natural gas or hazardous
12 liquids generally cannot be produced at economic flow rates or
13 in economic volumes except by vertical or horizontal well bores
14 stimulated by hydraulic fracture treatments or by using
15 multilateral well bores or other techniques to expose more of
16 the formation of the well bore.

17 "Unconventional well." A borehole drilled or being drilled
18 for the purpose of or to be used for the production of natural
19 gas or hazardous liquids from an unconventional formation.

20 Section 103. Applicability.

21 The provisions of this act shall apply only to pipelines and
22 pipeline facilities that are not specifically regulated under
23 Federal pipeline safety laws.

24 CHAPTER 3

25 RURAL PIPELINE OPERATORS

26 Section 301. Registry of rural pipeline operators.

27 (a) Registry.--The commission shall establish and maintain a
28 registry of all rural pipeline operators.

29 (b) Application.--The commission may develop an application
30 for registration under subsection (a) and may charge a

1 reasonable registration fee and annual renewal fee.

2 (c) Registration with commission.--

3 (1) A rural pipeline operator shall register with the
4 commission.

5 (2) Failure to register shall subject the rural pipeline
6 operator to a civil penalty under section 502.

7 (d) Use of existing registries.--The commission may combine
8 the registry required under this act with any other registry
9 maintained by the commission.

10 (e) Disclosure.--The commission shall require each rural
11 pipeline operator to disclose in its initial registration and in
12 each annual renewal the country of manufacture for all tubular
13 steel products used in the exploration, gathering or
14 transportation of natural gas or hazardous liquids. The
15 commission may develop a disclosure form and require its use.

16 CHAPTER 5

17 COMMISSION AUTHORITY AND ENFORCEMENT

18 Section 501. General powers of commission.

19 (a) Commission authority.--The commission shall have general
20 administrative authority to supervise and regulate rural
21 pipeline operators in this Commonwealth consistent with this
22 act. The commission shall adopt regulations as may be necessary
23 or proper, which shall include, but not be limited to, the
24 following:

25 (1) pipeline markers and the marking of pipelines and
26 pipeline facilities;

27 (2) the reporting of incidents with regard to pipelines
28 and pipeline facilities;

29 (3) minimum construction and maintenance standards,
30 including, but not limited to, corrosion control and the

1 establishment of maximum allowable operating pressures;

2 (4) recordkeeping, GPS locating and GIS mapping by rural
3 pipeline operators;

4 (5) leakage surveys and damage prevention programs;

5 (6) public education programs and advance notice to the
6 commission of new pipeline construction; and

7 (7) requirements for membership in damage prevention
8 organizations such as the Pennsylvania One Call System.

9 (b) Other regulations.--To promote safety and create
10 consistency between the construction, operation and maintenance
11 of rural pipelines and regulated pipelines, the commission may
12 adopt or modify regulations established under the Federal
13 pipeline safety laws in promulgating regulations under this act.

14 (c) Commission duties.--The commission shall have the
15 following duties:

16 (1) To investigate a service, act, practice, policy or
17 omission by a rural pipeline operator to determine compliance
18 with this act or regulations issued by the commission.

19 (2) To investigate a pipeline facility to determine if
20 it is hazardous to life or property.

21 (3) To investigate the existence or report of a safety-
22 related condition that involves a pipeline transportation
23 facility.

24 (4) Accept grants-in-aid, cash and reimbursements made
25 available to the Commonwealth by the Federal Government.

26 (5) To advise, consult and cooperate with the Federal
27 Government, other states and other agencies as may be
28 necessary to carry out the purposes of this act.

29 (d) Compliance.--Each rural pipeline operator, its officers,
30 agents and employees, and other persons subject to this act, or

1 to an order or regulation of the commission, or a court under
2 this act, shall observe, obey and comply with this act and the
3 terms and conditions of the orders and regulations issued under
4 this act.

5 Section 502. Civil penalties.

6 (a) Violations.--Any rural pipeline operator who violates
7 this act shall be subject to a penalty provided under 66 Pa.C.S.
8 § 3301(c) (relating to civil penalties for violations).

9 (b) Disposition of fines and penalties.--Fines imposed and
10 civil penalties recovered under this act shall be paid to the
11 commission. The funds received by the commission under this
12 subsection shall be paid into the State Treasury, through the
13 Department of Revenue, to the credit of the General Fund.

14 Section 503. Assessments.

15 (a) Duty to determine.--The commission shall, by regulation
16 or order, determine the assessments of pipeline operators in
17 accordance with this section.

18 (b) Assessments.--

19 (1) The commission shall determine an appropriate annual
20 assessment based on the commission's costs incurred under
21 this act and allocated to rural pipeline operators pro rata
22 by miles of gathering pipeline. The assessment shall be
23 adjusted to collect the commission's total costs of the
24 pipeline operators' portion, excluding the costs otherwise
25 reimbursed by the Federal Government, if any.

26 (2) The commission may combine for billing purposes the
27 assessment under this act with the assessment under the act
28 of December 22, 2011 (P.L.586, No.127), known as the Gas and
29 Hazardous Liquids Pipelines Act, for persons subject to both
30 acts.

1 (c) Time for payment.--The assessment shall be due and
2 payable within 30 days from the notice of amount due from the
3 commission. The amount of the assessment may be challenged by a
4 pipeline operator consistent with the provisions of 66 Pa.C.S. §
5 510(c), (d) and (e) (relating to assessment for regulatory
6 expenses upon public utilities).

7 (d) Reporting of miles.--Following the submission of the
8 original application, each rural pipeline operator shall, on or
9 before March 31 of each calendar year, report to the commission
10 its total gathering pipeline miles in operation in this
11 Commonwealth during the prior calendar year.

12 (e) Estimated fees.--The estimated fees to be collected
13 under this section for each fiscal year shall be subtracted from
14 the final estimate of total expenditures used to calculate the
15 total assessment on public utilities under 66 Pa.C.S. § 510.
16 Section 504. Jurisdiction and authority of commission.

17 (a) Jurisdiction.--Nothing in this act shall give the
18 commission jurisdiction over a pipeline operator for purposes of
19 rates or ratemaking or a purpose other than those set forth in
20 this act.

21 (b) Authority.--Nothing in this act grants the commission
22 additional authority to determine or regulate a pipeline
23 operator as a public utility or as a natural gas supplier or
24 natural gas supply service.

25 CHAPTER 11

26 MISCELLANEOUS PROVISIONS

27 Section 1101. Effective date.

28 This act shall take effect in 180 days.