

## THE GENERAL ASSEMBLY OF PENNSYLVANIA

## HOUSE BILL

No. 344 Session of  
2011

INTRODUCED BY BAKER, PICKETT, CAUSER, MAJOR, CARROLL, CLYMER,  
DAY, DENLINGER, GINGRICH, GOODMAN, GROVE, HARHART, HARKINS,  
HARRIS, HORNAMAN, KORTZ, MANN, MICOZZIE, MILLARD, MURT,  
MUSTIO, RAPP, REICHLEY, SAINATO, STERN, VULAKOVICH, WATSON,  
FLECK, HESS, PERRY, GABLER, SONNEY, GIBBONS, MILNE, PRESTON,  
MUNDY AND FARRY, JANUARY 31, 2011

SENATOR CORMAN, APPROPRIATIONS, IN SENATE, RE-REPORTED AS  
AMENDED, DECEMBER 5, 2011

## AN ACT

1 ~~Amending Title 66 (Public Utilities) of the Pennsylvania~~ ←  
2 ~~Consolidated Statutes, in general provisions, further~~  
3 ~~providing for definitions; providing for regulation of~~  
4 ~~certain operators of pipelines; and, in violations and~~  
5 ~~penalties, further providing for civil penalties for gas~~  
6 ~~pipeline safety violations.~~  
7 PROVIDING FOR GAS AND HAZARDOUS LIQUIDS PIPELINES AND FOR POWERS ←  
8 AND DUTIES OF THE PENNSYLVANIA PUBLIC UTILITY COMMISSION; AND  
9 IMPOSING CIVIL PENALTIES.

10 The General Assembly of the Commonwealth of Pennsylvania  
11 hereby enacts as follows:

12 ~~Section 1. Paragraph (2) of the definition of "public~~ ←  
13 ~~utility" in section 102 of Title 66 of the Pennsylvania~~  
14 ~~Consolidated Statutes is amended by adding subparagraphs and the~~  
15 ~~section is amended by adding definitions to read:~~  
16 ~~§ 102. Definitions.~~  
17 ~~Subject to additional definitions contained in subsequent~~  
18 ~~provisions of this part which are applicable to specific~~

provisions of this part, the following words and phrases when used in this part shall have, unless the context clearly indicates otherwise, the meanings given to them in this section:

\* \* \*

"Natural or artificial gas." Natural gas, liquefied natural gas, synthetic natural gas and any natural gas substitute such as petroleum gas or landfill gas.

\* \* \*

"Petroleum gas." Propane, propylene, butane, including normal butane or isobutanes and butylene, including isomers, or mixtures composed predominately of these gases, having a vapor pressure not exceeding 208 psi (1434 kPa) gage at 100°F (38°C).

"Public utility."

\* \* \*

~~(2) The term does not include:~~

\* \* \*

~~(vii) A pipeline operator, not otherwise a public utility, provided that the pipeline operator is subject to the jurisdiction of the commission as provided in Chapter 32 (relating to safety regulation of nonpublic utility pipelines) and in regulations promulgated by the commission.~~

~~(viii) Any person supplying petroleum gas:~~

~~(A) to fill a container or by delivery in a container; or~~

~~(B) through a pipeline to a customer where the pipeline system is not subject to Federal safety regulations under 49 CFR Part 192 (relating to transportation of natural and other gas by pipeline: minimum Federal safety standards) exempting from~~

~~Federal regulation service to fewer than ten  
customers through a pipeline system, if no portion of  
the pipeline system is located in a public place, and  
service to a single customer through a pipeline  
system, if the pipeline system is located entirely on  
the customer's premises no matter if a portion of the  
pipeline system is located in a public place.~~

~~\* \* \*~~

~~Section 2. Title 66 is amended by adding a chapter to read:~~

~~CHAPTER 32~~

~~SAFETY REGULATION OF NONPUBLIC UTILITY PIPELINES~~

~~Sec.~~

~~3201. Definitions.~~

~~3202. Adoption of Federal pipeline safety laws.~~

~~3203. Scope of commission regulation.~~

~~3204. Registry of pipeline operators.~~

~~3205. Assessments.~~

~~3206. Regulations.~~

~~3207. Jurisdiction and authority of commission.~~

~~§ 3201. Definitions.~~

~~The following words and phrases when used in this chapter  
shall have the meanings given to them in this section unless the  
context clearly indicates otherwise:~~

~~"Federal pipeline safety laws." The provisions of 49 U.S.C.  
Subtitle VIII (relating to pipelines) and all regulations  
promulgated pursuant thereto.~~

~~"Gas" and "natural gas." Natural gas, flammable gas or toxic  
or corrosive gas. The term shall have the same meaning as in the  
Federal pipeline safety laws.~~

~~"Hazardous liquid." The term shall have the same meaning as~~

~~in the Federal pipeline safety laws, including, but not limited to, carbon dioxide, a highly volatile liquid, petroleum, petroleum products or anhydrous ammonia.~~

~~"Person." Any individual, firm, joint venture, partnership, corporation, association, municipality, cooperative association or joint stock association, including any trustee, receiver, assignee or personal representative thereof.~~

~~"Pipeline." Any part of the physical facilities through which gas or hazardous liquids move in transportation and that is regulated by Federal pipeline safety laws, including a pipe, valve and other appurtenance attached to the pipe, compressor unit, metering station, regulator station, delivery station, holder and fabricated assembly. The term does not include a pipeline subject to the exclusive jurisdiction of the Federal Energy Regulatory Commission.~~

~~"Pipeline facility." A new and existing pipeline, right of way and any equipment, facility or building used in the transportation of gas or hazardous liquids or in the treatment of gas during the course of transportation and that is regulated by the Federal pipeline safety laws. The term does not include a pipeline facility subject to the exclusive jurisdiction of the Federal Energy Regulatory Commission.~~

~~"Pipeline operator." A person that owns or operates in this Commonwealth equipment or facilities for the transportation of gas or hazardous liquids by pipeline or pipeline facility regulated under Federal pipeline safety laws. The term does not include a public utility or an ultimate consumer who owns a service line on the real property of the ultimate consumer.~~

~~"Transportation of gas." The gathering, transmission or distribution of gas by pipeline or the storage of gas.~~

~~"Transportation of hazardous liquids." The gathering,  
transmission or distribution of hazardous liquids by pipeline.  
§ 3202. Adoption of Federal pipeline safety laws.~~

~~(a) General rule. The safety standards and regulations for  
the transportation of gas and hazardous liquids in this  
Commonwealth shall be those issued under the Federal pipeline  
safety laws and as implemented in 49 CFR Subtitle B Ch. 1 Subch.  
D (relating to pipeline safety), including all subsequent  
amendments thereto.~~

~~(b) Amendments to Federal law.~~

~~(1) Amendments to the Federal pipeline safety laws shall  
have the effect of amending or modifying the commission's  
regulations with regard to the safety standards for the  
transportation of gas and hazardous liquids.~~

~~(2) The amendment or modification shall take effect 60  
days after the effective date of the Federal amendment or  
modification.~~

~~§ 3203. Scope of commission regulation.~~

~~The commission shall have general administrative authority to  
supervise and regulate pipeline operators within this  
Commonwealth consistent with Federal pipeline safety laws. The  
commission may adopt regulations, consistent with the Federal  
pipeline safety laws, as may be necessary or proper in the  
exercise of its powers and perform its duties under this  
chapter. The regulations shall not be inconsistent with or  
greater or more stringent than the minimum standards and  
regulations adopted under the Federal pipeline safety laws. The  
commission shall have the following powers and duties:~~

~~(1) To investigate any service, act, practice, policy or  
omission by a pipeline operator to determine compliance with~~

~~this chapter.~~

~~(2) To investigate any pipeline facility to determine if it is hazardous to life or property under the Federal pipeline safety laws.~~

~~(3) To investigate the existence or report of any safety related condition that involves a pipeline facility.~~

~~(4) To enter into and perform contracts or agreements with the United States Department of Transportation to inspect intrastate and interstate transmission facilities under the Federal pipeline safety laws.~~

~~(5) To accept grants in aid, cash and reimbursements provided for or made available to the Commonwealth by the Federal Government to carry out the Federal pipeline safety laws or other Federal law.~~

~~(6) To adopt by reference the pipeline safety regulations promulgated at 49 CFR Parts 191 (relating to transportation of natural and other gas by pipeline; annual reports, incident reports, and safety related condition reports), 192 (relating to transportation of natural and other gas by pipeline: minimum Federal safety standards), 193 (relating to liquefied natural gas facilities: Federal safety standards), 194 (relating to response plans for onshore oil pipelines), 195 (relating to transportation of hazardous liquids by pipeline), 196 (Reserved), 197 (Reserved), 198 (relating to regulations for grants to aid State pipeline safety programs) and 199 (relating to drug and alcohol testing). The commission may not adopt a rule or regulation to implement this chapter that is inconsistent with or more stringent than the pipeline safety regulations promulgated by the Federal Government.~~

~~(7) To advise, consult and cooperate with the Federal Government, other State agencies and other states as may be necessary to administer its duties under this chapter.~~

~~(8) To issue adjudications, after notice and opportunity to be heard, and to impose civil fines and take enforcement action for violations of the applicable Federal regulations and any provision of this chapter.~~

~~(9) For purposes of petroleum gas, the commission's jurisdiction under this chapter shall be limited to those petroleum gas systems that are subject to the Federal pipeline safety laws and not a public utility.~~

~~§ 3204. Registry of pipeline operators.~~

~~(a) Duty to establish and maintain registry. The commission shall establish and maintain a registry of all gas and hazardous liquids pipeline operators.~~

~~(b) Applications. The commission may develop an application for registration under subsection (a) and may charge a reasonable registration fee and annual renewal registration fee.~~

~~(c) Duty to register.~~

~~(1) A pipeline operator shall register with the commission.~~

~~(2) A pipeline operator that fails to register in accordance with this chapter shall be subject to the civil penalty provided in section 3301(c) (relating to civil penalties for violations).~~

~~(d) Exemptions.~~

~~(1) No application or registration fee shall be required of a petroleum gas distributor who is registered under the act of June 19, 2002 (P.L.421, No.61), known as the Propane and Liquefied Petroleum Gas Act, and provides proof of~~

~~registration to the commission.~~

~~(2) The commission shall verify registrations of petroleum gas distributors with the Department of Labor and Industry before requiring a petroleum gas distributor to register under this section.~~

~~(3) No registration fee or annual renewal registration fee shall be required of a borough.~~

~~(4) This subsection shall not apply to assessments or boroughs.~~

~~§ 3205. Assessments.~~

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

~~(b) Fees.~~

~~(1) The commission shall determine an appropriate annual assessment based on intrastate regulated transmission, distribution and regulated on shore gathering pipeline miles, which fee shall be designed to collect the commission's total costs, plus a reasonable allocation of indirect costs, of its gas and hazardous liquids pipeline safety program, excluding the costs otherwise reimbursed by the Federal Government.~~

~~(2) The assessment shall be paid by all pipeline operators. The assessment shall not be applicable to natural gas public utilities, city natural gas distribution operations or a pipeline operator that is a borough.~~

~~(c) Time for payment. The assessment shall be due and payable within 30 days of the notice of amount due from the commission. The amount of the assessment may be challenged consistent with the provisions of section 510(c), (d) and (e) relating to assessment for regulatory expenses upon public~~



~~utilities).~~

~~(d) Reporting of miles. Each pipeline operator shall, on or before March 31 of each calendar year, report to the commission its total intrastate regulated transmission, distribution and regulated on shore gathering pipeline miles in operation in this Commonwealth during the prior calendar year.~~

~~(e) Estimated assessments. The estimated assessments to be collected under this section for each fiscal year shall be subtracted from the final estimate of total expenditures used to calculate the total assessment on public utilities under section 510(a).~~

~~§ 3206. Regulations.~~

~~The commission shall establish regulations to implement this chapter and may promulgate and enforce binding interim guidelines.~~

~~§ 3207. Jurisdiction and authority of commission.~~

~~(a) Jurisdiction. Nothing in this chapter shall give the commission jurisdiction over any pipeline, not otherwise a public utility or city natural gas distribution operation, for purposes of rates or ratemaking or any purpose other than those set forth in this chapter.~~

~~(b) Landfill gas distribution systems. The jurisdiction of the commission over a landfill gas distribution system, not otherwise a public utility, shall be limited to systems subject to Federal pipeline safety laws. The commission shall not have jurisdiction over operations and systems within the property boundary of the landfill.~~

~~(c) Authority. Nothing in this chapter grants the commission additional authority to determine or regulate a pipeline operator as a public utility as defined in section 102-~~

~~(relating to definitions) or as a natural gas supplier or  
natural gas supply services as defined in section 2202 (relating  
to definitions).~~

~~Section 3. Section 3301(c) of Title 66 is amended to read:  
§ 3301. Civil penalties for violations.~~

~~\* \* \*~~

~~(c) Gas pipeline safety violations. Any person or  
corporation, defined as a public utility or pipeline operator in  
this part, who violates any provisions of this part governing  
the safety of pipeline or conduit facilities in the  
transportation of natural gas, flammable gas, or gas which is  
toxic or corrosive, or of any regulation or order issued  
thereunder, shall be subject to a civil penalty [of] not to  
exceed [\$10,000] \$100,000 for each violation for each day that  
the violation persists, except that the maximum civil penalty  
shall not exceed [\$500,000] \$1,000,000 for any related series of  
violations.~~

~~\* \* \*~~

~~Section 4. This act shall take effect in 60 days.~~

## CHAPTER 1

### PRELIMINARY PROVISIONS

SECTION 101. SHORT TITLE.

THIS ACT SHALL BE KNOWN AND MAY BE CITED AS THE GAS AND  
HAZARDOUS LIQUIDS PIPELINES ACT.

SECTION 102. DEFINITIONS.

THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS ACT SHALL  
HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE  
CONTEXT CLEARLY INDICATES OTHERWISE:

"COMMISSION." THE PENNSYLVANIA PUBLIC UTILITY COMMISSION.

"FEDERAL PIPELINE SAFETY LAWS." THE PROVISIONS OF 49 U.S.C.

1 CH. 601 (RELATING TO SAFETY), THE HAZARDOUS LIQUID PIPELINE  
2 SAFETY ACT OF 1979 (PUBLIC LAW 96-129, 93 STAT. 989), THE  
3 PIPELINE SAFETY IMPROVEMENT ACT OF 2002 (PUBLIC LAW 107-355, 116  
4 STAT. 2985) AND THE REGULATIONS PROMULGATED UNDER THE ACTS.

5 "GAS." NATURAL GAS, LIQUEFIED NATURAL GAS, LANDFILL GAS,  
6 SYNTHETIC NATURAL GAS AND OTHER GAS AS DEFINED UNDER THE FEDERAL  
7 PIPELINE SAFETY LAWS.

8 "HAZARDOUS LIQUID." PETROLEUM, A PETROLEUM PRODUCT,  
9 ANHYDROUS AMMONIA AND OTHER HAZARDOUS LIQUID AS DEFINED UNDER  
10 THE FEDERAL PIPELINE SAFETY LAWS.

11 "PERSON." AN INDIVIDUAL, FIRM, JOINT VENTURE, PARTNERSHIP,  
12 CORPORATION, ASSOCIATION, MUNICIPALITY, COOPERATIVE ASSOCIATION  
13 OR JOINT STOCK ASSOCIATION, INCLUDING ANY TRUSTEE, RECEIVER,  
14 ASSIGNEE OR PERSONAL REPRESENTATIVE THEREOF. THE TERM DOES NOT  
15 INCLUDE A PUBLIC UTILITY.

16 "PIPELINE." A PART OF THE PHYSICAL FACILITIES THROUGH WHICH  
17 GAS OR HAZARDOUS LIQUIDS MOVE IN TRANSPORTATION, INCLUDING A  
18 PIPE VALVE AND OTHER APPURTENANCE ATTACHED TO THE PIPE,  
19 COMPRESSOR UNIT, METERING STATION, REGULATOR STATION, DELIVERY  
20 STATION, HOLDER AND FABRICATED ASSEMBLY. THE TERM ONLY INCLUDES  
21 PIPELINE REGULATED BY FEDERAL PIPELINE SAFETY LAWS. THE TERM  
22 DOES NOT INCLUDE A PIPELINE SUBJECT TO THE EXCLUSIVE  
23 JURISDICTION OF THE FEDERAL ENERGY REGULATORY COMMISSION.

24 "PIPELINE FACILITY." A NEW OR EXISTING PIPELINE, RIGHT-OF-  
25 WAY AND ANY EQUIPMENT, FACILITY OR BUILDING USED IN THE  
26 TRANSPORTATION OF GAS OR HAZARDOUS LIQUIDS OR IN THE TREATMENT  
27 OF GAS OR HAZARDOUS LIQUIDS DURING THE COURSE OF TRANSPORTATION.  
28 THE TERM DOES NOT INCLUDE A PIPELINE FACILITY SUBJECT TO THE  
29 EXCLUSIVE JURISDICTION OF THE FEDERAL ENERGY REGULATORY  
30 COMMISSION.

1 "PIPELINE OPERATOR." A PERSON THAT OWNS OR OPERATES  
2 EQUIPMENT OR FACILITIES IN THIS COMMONWEALTH FOR THE  
3 TRANSPORTATION OF GAS OR HAZARDOUS LIQUIDS BY PIPELINE OR  
4 PIPELINE FACILITY REGULATED UNDER FEDERAL PIPELINE SAFETY LAWS.  
5 THE TERM DOES NOT INCLUDE A PUBLIC UTILITY OR AN ULTIMATE  
6 CONSUMER WHO OWNS A SERVICE LINE ON HIS REAL PROPERTY.

7 "PUBLIC UTILITY." THE TERM SHALL MEAN:

8 (1) A PUBLIC UTILITY AS DEFINED IN 66 PA.C.S. § 102  
9 (RELATING TO DEFINITIONS).

10 (2) A CITY NATURAL GAS DISTRIBUTION OPERATION AS DEFINED  
11 IN 66 PA.C.S. § 102.

12 "TRANSPORTATION OF GAS." THE GATHERING, TRANSMISSION OR  
13 DISTRIBUTION OF GAS BY PIPELINE OR THE STORAGE OF GAS.

14 "TRANSPORTATION OF HAZARDOUS LIQUIDS." THE GATHERING,  
15 TRANSMISSION OR DISTRIBUTION OF HAZARDOUS LIQUIDS BY PIPELINE.

16 "UNCONVENTIONAL FORMATION." A GEOLOGICAL SHALE FORMATION ←  
17 EXISTING BELOW THE BASE OF THE ELK SANDSTONE OR ITS GEOLOGIC  
18 EQUIVALENT STRATIGRAPHIC INTERVAL WHERE NATURAL GAS GENERALLY  
19 CANNOT BE PRODUCED AT ECONOMIC FLOW RATES OR IN ECONOMIC VOLUMES  
20 EXCEPT BY VERTICAL OR HORIZONTAL WELL BORES STIMULATED BY  
21 HYDRAULIC FRACTURE TREATMENTS OR BY USING MULTILATERAL WELL  
22 BORES OR OTHER TECHNIQUES TO EXPOSE MORE OF THE FORMATION OF THE  
23 WELL BORE.

24 "UNCONVENTIONAL WELL." A ~~BOREHOLE~~ BORE HOLE DRILLED OR BEING ←  
25 DRILLED FOR THE PURPOSE OF OR TO BE USED FOR ~~PRODUCING OIL OR~~ ←  
26 ~~GAS FROM A GEOLOGICAL FORMATION EXISTING BELOW THE BASE OF THE~~  
27 ~~ELK SANDSTONE OR ITS GEOLOGIC EQUIVALENT STRATIGRAPHIC INTERVAL~~  
28 ~~WHERE OIL OR GAS GENERALLY CANNOT BE PRODUCED AT ECONOMIC FLOW~~  
29 ~~RATES OR IN ECONOMIC VOLUMES EXCEPT: BY WELLS STIMULATED BY~~  
30 ~~HYDRAULIC FRACTURE TREATMENTS, BY A HORIZONTAL WELL BORE OR BY~~

~~1 USING MULTILATERAL WELL BORES OR OTHER TECHNIQUES TO EXPOSE MORE~~  
~~2 OF THE FORMATION OF THE WELL BORE~~ THE PRODUCTION OF NATURAL GAS  
3 FROM AN UNCONVENTIONAL FORMATION.

4 SECTION 103. APPLICABILITY.

5 THE PROVISIONS OF THIS ACT SHALL APPLY ONLY TO PIPELINES,  
6 PIPELINE OPERATORS OR PIPELINE FACILITIES REGULATED UNDER  
7 FEDERAL PIPELINE SAFETY LAWS.

### 8 CHAPTER 3

#### 9 PIPELINE OPERATORS

10 SECTION 301. REGISTRY OF PIPELINE OPERATORS.

11 (A) REGISTRY.--THE COMMISSION SHALL ESTABLISH AND MAINTAIN A  
12 REGISTRY OF ALL PIPELINE OPERATORS.

13 (B) APPLICATION.--THE COMMISSION MAY DEVELOP AN APPLICATION  
14 FOR REGISTRATION UNDER SUBSECTION (A) AND MAY CHARGE A  
15 REASONABLE REGISTRATION FEE AND ANNUAL RENEWAL FEE.

16 (C) REGISTRATION WITH COMMISSION.--

17 (1) A PIPELINE OPERATOR SHALL REGISTER WITH THE  
18 COMMISSION.

19 (2) FAILURE TO REGISTER SHALL SUBJECT THE PIPELINE  
20 OPERATOR TO A CIVIL PENALTY UNDER SECTION 502.

21 (3) THE OPERATOR OF A PIPELINE IN A CLASS 1 LOCATION  
22 THAT COLLECTS OR TRANSPORTS GAS FROM AN UNCONVENTIONAL WELL  
23 SHALL REPORT THE LOCATION OF THE PIPELINE BY CLASS LOCATION  
24 AND APPROXIMATE AGGREGATE MILES FOR INCLUSION IN THE  
25 COMMISSION'S REGISTRY.

26 (D) DISCLOSURE.--THE COMMISSION SHALL REQUIRE EACH PIPELINE  
27 OPERATOR, REGARDLESS OF CLASS LOCATION, TO DISCLOSE IN ITS  
28 INITIAL REGISTRATION AND IN EACH ANNUAL RENEWAL THE COUNTRY OF  
29 MANUFACTURE FOR ALL TUBULAR STEEL PRODUCTS USED IN THE  
30 EXPLORATION, GATHERING OR TRANSPORTATION OF NATURAL GAS OR

HAZARDOUS LIQUIDS. THE COMMISSION MAY DEVELOP A DISCLOSURE FORM  
AND REQUIRE ITS USE.

~~(D)~~ (E) EXEMPTIONS.--

(1) NO APPLICATION OR REGISTRATION FEE SHALL BE REQUIRED  
OF A PETROLEUM GAS DISTRIBUTOR WHO IS REGISTERED UNDER THE  
ACT OF JUNE 19, 2002 (P.L.421, NO.61), KNOWN AS THE PROPANE  
AND LIQUEFIED PETROLEUM GAS ACT, AND PROVIDES PROOF OF  
REGISTRATION TO THE COMMISSION.

(2) THE COMMISSION SHALL VERIFY REGISTRATIONS OF  
PETROLEUM GAS DISTRIBUTORS WITHIN THE DEPARTMENT OF LABOR AND  
INDUSTRY BEFORE REQUIRING A PETROLEUM GAS DISTRIBUTOR TO  
REGISTER UNDER THIS SECTION.

(3) NO REGISTRATION FEE OR ANNUAL RENEWAL REGISTRATION  
FEE SHALL BE REQUIRED OF A BOROUGH.

SECTION 302. ADOPTION OF FEDERAL PIPELINE SAFETY LAWS.

(A) GENERAL RULE.--THE SAFETY STANDARDS AND REGULATIONS FOR  
PIPELINE OPERATORS SHALL BE THOSE ISSUED UNDER THE FEDERAL  
PIPELINE SAFETY LAWS AS IMPLEMENTED IN 49 CFR SUBTITLE B CH. I  
SUBCH. D (RELATING TO PIPELINE SAFETY).

(B) AMENDMENTS TO FEDERAL LAW.--

(1) AMENDMENTS TO FEDERAL PIPELINE SAFETY LAWS SHALL  
HAVE THE EFFECT OF AMENDING OR MODIFYING THE SAFETY STANDARDS  
AND REGULATIONS FOR THE TRANSPORTATION OF GAS AND HAZARDOUS  
LIQUIDS IN THIS COMMONWEALTH.

(2) AN AMENDMENT OR MODIFICATION UNDER PARAGRAPH (1)  
SHALL TAKE EFFECT 60 DAYS AFTER ITS EFFECTIVE DATE.

## CHAPTER 5

### COMMISSION AUTHORITY AND ENFORCEMENT

SECTION 501. GENERAL POWERS OF COMMISSION.

(A) COMMISSION AUTHORITY.--THE COMMISSION SHALL HAVE GENERAL

1 ADMINISTRATIVE AUTHORITY TO SUPERVISE AND REGULATE PIPELINE  
2 OPERATORS WITHIN THIS COMMONWEALTH CONSISTENT WITH FEDERAL  
3 PIPELINE SAFETY LAWS. THE COMMISSION MAY ADOPT REGULATIONS,  
4 CONSISTENT WITH THE FEDERAL PIPELINE SAFETY LAWS, AS MAY BE  
5 NECESSARY OR PROPER IN THE EXERCISE OF ITS POWERS AND PERFORM  
6 ITS DUTIES UNDER THIS ACT. THE REGULATIONS SHALL NOT BE  
7 INCONSISTENT WITH OR GREATER OR MORE STRINGENT THAN THE MINIMUM  
8 STANDARDS AND REGULATIONS ADOPTED UNDER THE FEDERAL PIPELINE  
9 SAFETY LAW. THE COMMISSION SHALL HAVE THE FOLLOWING DUTIES:

10 (1) TO INVESTIGATE A SERVICE, ACT, PRACTICE, POLICY OR  
11 OMISSION BY A PIPELINE OPERATOR TO DETERMINE COMPLIANCE WITH  
12 THIS ACT.

13 (2) TO INVESTIGATE A PIPELINE TRANSPORTATION FACILITY TO  
14 DETERMINE IF IT IS HAZARDOUS TO LIFE OR PROPERTY.

15 (3) TO INVESTIGATE THE EXISTENCE OR REPORT OF A SAFETY-  
16 RELATED CONDITION THAT INVOLVES A PIPELINE TRANSPORTATION  
17 FACILITY.

18 (4) TO ENTER INTO CONTRACTS OR AGREEMENTS WITH THE  
19 UNITED STATES DEPARTMENT OF TRANSPORTATION TO INSPECT  
20 INTRASTATE OR INTERSTATE TRANSMISSION FACILITIES.

21 (5) ACCEPT GRANTS-IN-AID, CASH AND REIMBURSEMENTS MADE  
22 AVAILABLE TO THE COMMONWEALTH BY THE FEDERAL GOVERNMENT TO  
23 IMPLEMENT FEDERAL PIPELINE SAFETY LAWS OR OTHER FEDERAL LAW.

24 (6) TO ADVISE, CONSULT AND COOPERATE WITH THE FEDERAL  
25 GOVERNMENT, OTHER STATES AND OTHER AGENCIES AS MAY BE  
26 NECESSARY TO CARRY OUT THE PURPOSES OF THIS ACT.

27 (7) TO ENFORCE THE FEDERAL PIPELINE SAFETY LAWS AND,  
28 AFTER NOTICE AND OPPORTUNITY FOR A HEARING, IMPOSE CIVIL  
29 PENALTIES AND FINES AND TAKE OTHER APPROPRIATE ENFORCEMENT  
30 ACTION.

1 (8) FOR PURPOSES OF PETROLEUM GAS, THE COMMISSION'S  
2 JURISDICTION UNDER THIS ACT SHALL BE LIMITED TO THOSE  
3 PETROLEUM GAS SYSTEMS THAT ARE THE FOLLOWING:

4 (I) SUBJECT TO THE FEDERAL PIPELINE SAFETY LAWS.

5 (II) NOT A PUBLIC UTILITY.

6 (B) COMPLIANCE.--EACH PIPELINE OPERATOR, ITS OFFICERS,  
7 AGENTS AND EMPLOYEES, AND OTHER PERSONS SUBJECT TO THIS ACT, OR  
8 TO AN ORDER OF THE COMMISSION, OR A COURT UNDER THIS ACT, SHALL  
9 OBSERVE, OBEY AND COMPLY WITH THIS ACT AND THE TERMS AND  
10 CONDITIONS OF THE ORDERS ISSUED HEREUNDER.

11 SECTION 502. CIVIL PENALTIES.

12 (A) VIOLATIONS.--ANY PIPELINE OPERATOR WHO VIOLATES THIS ACT  
13 SHALL BE SUBJECT TO A PENALTY PROVIDED UNDER THE FEDERAL  
14 PIPELINE SAFETY LAWS OR 66 PA.C.S. § 3301(C) (RELATING TO CIVIL  
15 PENALTIES FOR VIOLATIONS), WHICHEVER IS GREATER.

16 (B) DISPOSITION OF FINES AND PENALTIES.--FINES IMPOSED AND  
17 CIVIL PENALTIES RECOVERED UNDER THIS ACT SHALL BE PAID TO THE  
18 COMMISSION. THE FUNDS RECEIVED BY THE COMMISSION UNDER THIS  
19 SUBSECTION SHALL BE PAID INTO THE STATE TREASURY, THROUGH THE  
20 DEPARTMENT OF REVENUE, TO THE CREDIT OF THE GENERAL FUND.

21 SECTION 503. ASSESSMENTS.

22 (A) DUTY TO DETERMINE.--THE COMMISSION SHALL BY REGULATION  
23 OR ORDER DETERMINE THE ASSESSMENTS OF PIPELINE OPERATORS IN  
24 ACCORDANCE WITH THIS SECTION.

25 (B) ASSESSMENTS.--

26 (1) THE COMMISSION SHALL DETERMINE AN APPROPRIATE ANNUAL  
27 ASSESSMENT BASED ON INTRASTATE REGULATED TRANSMISSION,  
28 REGULATED DISTRIBUTION AND REGULATED ONSHORE GATHERING  
29 PIPELINE MILES. THE ASSESSMENT SHALL BE ADJUSTED TO COLLECT  
30 THE COMMISSION'S TOTAL COSTS OF THE PIPELINE OPERATORS'



PORTION, EXCLUDING THE COSTS OTHERWISE REIMBURSED BY THE  
FEDERAL GOVERNMENT, OF:

(I) THE GAS PIPELINE SAFETY PROGRAM, PLUS A  
REASONABLE ALLOCATION OF INDIRECT COSTS.

(II) THE HAZARDOUS LIQUIDS PIPELINE SAFETY PROGRAM.

(2) THE ASSESSMENT SHALL BE PAID BY PIPELINE OPERATORS  
AND SHALL NOT BE APPLICABLE TO NATURAL GAS PUBLIC UTILITIES.

(3) THE ASSESSMENT UNDER THIS SUBSECTION SHALL NOT APPLY  
TO BOROUGHES.

(C) TIME FOR PAYMENT.--THE ASSESSMENT SHALL BE DUE AND  
PAYABLE WITHIN 30 DAYS FROM THE NOTICE OF AMOUNT DUE FROM THE  
COMMISSION. THE AMOUNT OF THE ASSESSMENT MAY BE CHALLENGED BY A  
PIPELINE OPERATOR CONSISTENT WITH THE PROVISIONS OF 66 PA.C.S. §  
510(C), (D) AND (E) (RELATING TO ASSESSMENT FOR REGULATORY  
EXPENSES UPON PUBLIC UTILITIES).

(D) REPORTING OF MILES.--FOLLOWING THE SUBMISSION OF THE  
ORIGINAL APPLICATION, EACH PIPELINE OPERATOR SHALL, ON OR BEFORE  
MARCH 31 OF EACH CALENDAR YEAR, REPORT TO THE COMMISSION ITS  
TOTAL INTRASTATE REGULATED TRANSMISSION, REGULATED DISTRIBUTION  
AND REGULATED ONSHORE GATHERING PIPELINE MILES IN OPERATION FOR  
THE TRANSPORTATION OF GAS AND HAZARDOUS LIQUIDS IN THIS  
COMMONWEALTH DURING THE PRIOR CALENDAR YEAR.

(E) ESTIMATED FEES.--THE ESTIMATED FEES TO BE COLLECTED  
UNDER THIS SECTION FOR EACH FISCAL YEAR SHALL BE SUBTRACTED FROM  
THE FINAL ESTIMATE OF TOTAL EXPENDITURES USED TO CALCULATE THE  
TOTAL ASSESSMENT ON PUBLIC UTILITIES UNDER 66 PA.C.S. § 510.  
SECTION 504. JURISDICTION AND AUTHORITY OF COMMISSION.

(A) JURISDICTION.--NOTHING IN THIS ACT SHALL GIVE THE  
COMMISSION JURISDICTION OVER ANY PIPELINE OPERATOR FOR PURPOSES  
OF RATES OR RATEMAKING OR ANY PURPOSE OTHER THAN THOSE SET FORTH

1 IN THIS ACT.

2 (B) LANDFILL GAS DISTRIBUTION SYSTEMS.--THE JURISDICTION OF  
3 THE COMMISSION OVER LANDFILL GAS DISTRIBUTION SYSTEMS UNDER THIS  
4 ACT SHALL BE LIMITED TO SYSTEMS SUBJECT TO FEDERAL PIPELINE  
5 SAFETY LAWS. THE COMMISSION SHALL NOT HAVE JURISDICTION OVER  
6 OPERATIONS AND SYSTEMS WITHIN THE PROPERTY BOUNDARY OF THE  
7 LANDFILL.

8 (C) AUTHORITY.--NOTHING IN THIS ACT GRANTS THE COMMISSION  
9 ADDITIONAL AUTHORITY TO DETERMINE OR REGULATE A PIPELINE  
10 OPERATOR AS A PUBLIC UTILITY AS DEFINED IN 66 PA.C.S. § 102  
11 (RELATING TO DEFINITIONS) OR AS A NATURAL GAS SUPPLIER OR  
12 NATURAL GAS SUPPLY SERVICES AS DEFINED IN 66 PA.C.S. § 2202  
13 (RELATING TO DEFINITIONS).

14 CHAPTER 7



15 RELATED ACTIVITIES

16 SECTION 701. REPLACEMENT AND RECONSTRUCTION.

17 (A) SURFACE AREA.--A LEASE ENTERED INTO TO PERMIT THE  
18 REPLACEMENT OR CONSTRUCTION OF A PIPELINE CARRYING NATURAL GAS  
19 MAY INCLUDE PROVISIONS RELATING TO THE RESTORATION OF THE  
20 SURFACE AREA, INCLUDING SOIL OR VEGETATION. A LEASE WITH A  
21 PUBLIC ENTITY MAY PROVIDE FOR THE PLANTING OF TREES IN OTHER  
22 AREAS OF A COUNTY OR MUNICIPALITY IF TREES WERE REMOVED TO  
23 REPLACE OR CONSTRUCT THE PIPELINE.

24 (B) EASEMENTS.--

25 (1) THIS SUBSECTION APPLIES TO THE OWNER OR HOLDER OF:

26 (I) AN AGRICULTURAL EASEMENT UNDER THE ACT OF JUNE  
27 30, 1981 (P.L.128, NO.43), KNOWN AS THE AGRICULTURAL AREA  
28 SECURITY LAW; OR

29 (II) A CONSERVATION EASEMENT UNDER THE ACT OF JUNE  
30 22, 2001 (P.L.390, NO.29), KNOWN AS THE CONSERVATION AND

1           PRESERVATION EASEMENTS ACT.

2           (2) IF A PERSON SPECIFIED IN PARAGRAPH (1) ENTERS INTO A  
3       LEASE TO PERMIT THE REPLACEMENT OR CONSTRUCTION OF A NATURAL  
4       GAS PIPELINE ON PROPERTY LOCATED WITHIN THE AGRICULTURAL OR  
5       CONSERVATION EASEMENT, THE PERSON MAY REQUEST A STATEMENT  
6       FROM THE PIPELINE OPERATOR DESCRIBING THE IMPACT OF THE  
7       PIPELINE ON THE PUBLIC USE OF THE EASEMENT.

8                               CHAPTER 11

9                               MISCELLANEOUS PROVISIONS

10       SECTION 1101.   EFFECTIVE DATE.

11       THIS ACT SHALL TAKE EFFECT IN 60 DAYS.