
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1044 Session of
2015

INTRODUCED BY BAKER, SCHWANK, MENSCH, RAFFERTY, FOLMER AND
YUDICHAK, OCTOBER 26, 2015

REFERRED TO CONSUMER PROTECTION AND PROFESSIONAL LICENSURE,
OCTOBER 26, 2015

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

6 CHAPTER 1

7 PRELIMINARY PROVISIONS

8 Section 101. Short title.

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

11 Section 102. Definitions.

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

15 "Commission." The Pennsylvania Public Utility Commission.

16 "Federal pipeline safety laws." The provisions of 49 U.S.C.
17 Ch. 601 (relating to safety), the Hazardous Liquid Pipeline
18 Safety Act of 1979 (Public Law 96-129, 93 Stat. 989), the

1 Pipeline Safety Improvement Act of 2002 (Public Law 107-355, 116
2 Stat. 2985) and the regulations promulgated under the acts.

3 "Gathering or gathering pipeline." A pipeline or pipeline
4 facility used to transport natural gas or hazardous liquids
5 between a production pipeline and a regulated pipeline.

6 "Natural gas or hazardous liquids." Natural gas, petroleum,
7 a petroleum product or other hydrocarbon produced from an
8 unconventional formation.

9 "Person." An individual, firm, joint venture, partnership,
10 corporation, association, municipality, cooperative association
11 or joint stock association, including any trustee, receiver,
12 assignee or personal representative thereof. The term does not
13 include a public utility.

14 "Pipeline." All or any part of the physical facilities
15 through which natural gas or hazardous liquids move in
16 transportation, including a pipe, valve and other appurtenance
17 attached to the pipe, compressor unit, metering station,
18 regulator station, delivery station, holder and fabricated
19 assembly. The term only includes a pipeline or portion thereof
20 which is not subject to specific regulation under the Federal
21 pipeline safety laws. The term does not include a pipeline
22 subject to the exclusive jurisdiction of the Federal Energy
23 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 natural gas or hazardous liquids or in the
27 processing or treatment of natural gas or hazardous liquids
28 during the course of transportation of such natural gas or
29 hazardous liquids. The term does not include a pipeline facility
30 subject to the exclusive jurisdiction of the Federal Energy

1 Regulatory Commission.

2 "Production or production pipeline." A pipeline or pipeline
3 facility used to transport natural gas or hazardous liquids
4 between an unconventional well and a gathering pipeline,
5 provided that the end of production and the start of gathering
6 begins at the edge of the well pad or the first meter from the
7 well, whichever is nearer to the well.

8 "Public utility." The term shall mean:

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

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

13 "Regulated pipeline." A pipeline or pipeline facility that
14 is:

15 (1) subject to the exclusive jurisdiction of the Federal
16 Energy Regulatory Commission;

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

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

22 "Rural pipeline operator." A person that owns or operates
23 one or more gathering pipelines or pipeline facilities within
24 the Commonwealth of Pennsylvania.

25 "Unconventional formation." A geological shale formation
26 existing below the base of the Elk Sandstone or its geologic
27 equivalent stratigraphic interval where natural gas or hazardous
28 liquids generally cannot be produced at economic flow rates or
29 in economic volumes except by vertical or horizontal well bores
30 stimulated by hydraulic fracture treatments or by using

1 multilateral well bores or other techniques to expose more of
2 the formation of the well bore.

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

6 Section 103. Applicability.

7 The provisions of this act shall apply only to pipelines and
8 pipeline facilities that are not specifically regulated under
9 Federal pipeline safety laws.

10 CHAPTER 3

11 RURAL PIPELINE OPERATORS

12 Section 301. Registry of rural pipeline operators.

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

15 (b) Application.--The commission may develop an application
16 for registration under subsection (a) and may charge a
17 reasonable registration fee and annual renewal fee.

18 (c) Registration with commission.--

19 (1) A rural pipeline operator shall register with the
20 commission.

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

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

26 (e) Disclosure.--The commission shall require each rural
27 pipeline operator to disclose in its initial registration and in
28 each annual renewal the country of manufacture for all tubular
29 steel products used in the exploration, gathering or
30 transportation of natural gas or hazardous liquids. The

1 commission may develop a disclosure form and require its use.

2 CHAPTER 5

3 COMMISSION AUTHORITY AND ENFORCEMENT

4 Section 501. General powers of commission.

5 (a) Commission authority.--The commission shall have general
6 administrative authority to supervise and regulate rural
7 pipeline operators within this Commonwealth consistent with this
8 act. The commission shall adopt regulations as may be necessary
9 or proper, which shall include, but not be limited to, the
10 following:

11 (1) pipeline markers and the marking of pipelines and
12 pipeline facilities;

13 (2) the reporting of incidents with regard to pipelines
14 and pipeline facilities;

15 (3) minimum construction and maintenance standards,
16 including, but not limited to, corrosion control and the
17 establishment of maximum allowable operating pressures;

18 (4) recordkeeping, GPS locating and GIS mapping by rural
19 pipeline operators;

20 (5) leakage surveys and damage prevention programs;

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

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

25 (b) Other regulations.--To promote safety and create
26 consistency between the construction, operation and maintenance
27 of rural pipelines and regulated pipelines, the commission may
28 adopt or modify regulations established under the Federal
29 pipeline safety laws in promulgating regulations pursuant to
30 this act.

1 (c) Commission duties.--The commission shall have the
2 following duties:

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

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

8 (3) To investigate the existence or report of a safety-
9 related condition that involves a pipeline transportation
10 facility.

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

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

16 (d) Compliance.--Each rural pipeline operator, its officers,
17 agents and employees, and other persons subject to this act, or
18 to an order or regulation of the commission, or a court under
19 this act, shall observe, obey and comply with this act and the
20 terms and conditions of the orders and regulations issued
21 hereunder.

22 Section 502. Civil penalties.

23 (a) Violations.--Any rural pipeline operator who violates
24 this act shall be subject to a penalty provided under 66 Pa.C.S.
25 § 3301(c) (relating to civil penalties for violations).

26 (b) Disposition of fines and penalties.--Fines imposed and
27 civil penalties recovered under this act shall be paid to the
28 commission. The funds received by the commission under this
29 subsection shall be paid into the State Treasury, through the
30 Department of Revenue, to the credit of the General Fund.

1 Section 503. Assessments.

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

5 (b) Assessments.--

6 (1) The commission shall determine an appropriate annual
7 assessment based on the commission's costs incurred under
8 this act and allocated to rural pipeline operators pro rata
9 by miles of gathering pipeline. The assessment shall be
10 adjusted to collect the commission's total costs of the
11 pipeline operators' portion, excluding the costs otherwise
12 reimbursed by the Federal Government, if any.

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

18 (c) Time for payment.--The assessment shall be due and
19 payable within 30 days from the notice of amount due from the
20 commission. The amount of the assessment may be challenged by a
21 pipeline operator consistent with the provisions of 66 Pa.C.S. §
22 510(c), (d) and (e) (relating to assessment for regulatory
23 expenses upon public utilities).

24 (d) Reporting of miles.--Following the submission of the
25 original application, each rural pipeline operator shall, on or
26 before March 31 of each calendar year, report to the commission
27 its total gathering pipeline miles in operation in this
28 Commonwealth during the prior calendar year.

29 (e) Estimated fees.--The estimated fees to be collected
30 under this section for each fiscal year shall be subtracted from

1 the final estimate of total expenditures used to calculate the
2 total assessment on public utilities under 66 Pa.C.S. § 510.
3 Section 504. Jurisdiction and authority of commission.

4 (a) Jurisdiction.--Nothing in this act shall give the
5 commission jurisdiction over any pipeline operator for purposes
6 of rates or ratemaking or any purpose other than those set forth
7 in this act.

8 (b) Authority.--Nothing in this act grants the commission
9 additional authority to determine or regulate a pipeline
10 operator as a public utility or as a natural gas supplier or
11 natural gas supply services.

12 CHAPTER 11

13 MISCELLANEOUS PROVISIONS

14 Section 1101. Effective date.

15 This act shall take effect in 180 days.