JOSEPH PRESTON, JR., MEMBER PENNSYLVANIA HOUSE OF REPRESENTATIVES

ROOM 202 IRVIS OFFICE BUILDING P.O. BOX 202024 HARRISBURG, PENNSYLVANIA 17120-2024 PHONE: (717) 783-1017 FAX: (717) 787-7520

E-MAIL: JPRESTON@PAHOUSE.NET WEBSITE: WWW.PAHOUSE.COM/PRESTON

LEGISLATIVE DISTRICT OFFICE 208 NORTH HIGHLAND AVENUE PITTSBURGH, PENNSYLVANIA 15206 PHONE: (412) 361-3692 FAX: (412) 362-9150



HARRISBURG

COMMITTEES

CHAIRMAN, CONSUMER AFFAIRS HOUSE DEMOCRATIC POLICY RULES

APPOINTMENTS

PORT OF PITTSBURGH COMMISSION VETERANS' HOME ADVISORY COUNCIL FOR THE SOUTHWESTERN VETERANS CENTER

MEMORANDUM

TO:

All House Members

FROM:

Rep. Joseph Preston, Jr.

RE:

Request for Co-Sponsors, Natural Gas Gathering Line Companies and Eminent Domain

DATE:

October 18, 2011

In the near future, I plan to introduce legislation that addresses regulation of natural gas gathering companies and eminent domain.

The rapid development of natural gas from the Marcellus Shale has raised many questions—among them is the question of who will regulate the construction, safety and utility status of the pipelines that run between the wellheads and large gas transmission lines. These pipelines (or gathering lines) are not currently inspected by any state or federal agency. As a matter of fact, Pennsylvania is the only gas producing state that does not regulate gathering line construction or safety.

Even more important, gathering lines are not considered "public utilities" as defined by PUC regulations. However, a gathering line company can apply for public utility status and, upon receipt of a certificate of public convenience, automatically gets the power of eminent domain.

Use of eminent domain to condemn private property for rights of way could potentially have grave implications for Pennsylvanians and their communities by upsetting the balance between property owners and pipeline companies during negotiations by giving the latter more power.

My legislation restores that balance by amending Title 15 (Corporations and Unincorporated Associations) to exclude natural gas gathering line companies from the definition of "public utility corporation" and Title 66 (Public Utilities) to prohibit natural gas gathering line companies from obtaining public utility status.

If you wish to co-sponsor this legislation, please call my Harrisburg Office at 717-783-1017 or email Wendy Shearer at <u>wshearer@pahouse.net</u>.