

TESTIMONY BY EQT CORPORATION
BEFORE THE PENNSYLVANIA HOUSE OF REPRESENTATIVES CONSUMER AFFAIRS COMMITTEE

ON
THE PENNSYLVANIA UNDERGROUND UTILITY LINE PROTECTION LAW

PRESENTED BY
MICHAEL GAVIN, VICE PRESIDENT OF PRODUCTION OPERATIONS AT EQT CORPORATION

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Good morning Chairman Godshall, Chairman Caltagirone, and members of the House Consumer Affairs Committee. My name is Michael Gavin and I am Vice President of Production Operations at EQT Corporation. Our 130 year old Pennsylvania company is based in Pittsburgh and we are in the business of natural gas exploration, production, and midstream. I appreciate the opportunity to testify today about pending legislation to amend the Underground Utility Line Protection law.

At EQT, one of our core values is safety, which is why we support amending the Underground Utility Line Protection law to encompass all underground pipelines, including crude oil and natural gas production and gathering lines that are currently exempt under the law. There is legislation introduced, in both the House and the Senate that would include reporting of these lines under the law. EQT is already in compliance with this suggested change, requiring that all lines from the wellhead out be registered. EQT is taking steps to ensure the safety of those working around gas lines; everyone must participate to effect a change. EQT contractors encounter nearly 50 unmarked lines each year owned by companies that do not have the same safety conscious policies that EQT has. While EQT has done what it can, unmarked lines will continue to be a problem until everyone is held accountable for the location and marking of each and every pipeline in the Commonwealth.

If we truly are concerned about safety, it makes sense to include production gathering lines under PA One Call. Because of the state's increased natural gas production through Marcellus and other shale formations, natural gas gathering lines comprise the highest percentage of newly installed lines.

Each day, thousands of excavators working across numerous industries in Pennsylvania are at risk of striking underground pipelines. It is imperative that, when they dial 811, they know that they will be safe. Currently, our employees and contractors come across unmarked lines far too often. Our laborers must begin the excavation process by hand digging in many areas of our operating area. Even with this extra step, workers are put in harm's way because not all underground lines are identified prior to the use of heavy equipment.

It only takes one accidental line strike to cause injury or even death; this is something that no one should have to endure. Tragically in 2015, there was one such example in Armstrong County when a contractor struck an unmarked natural gas gathering line resulting in his death.

The contractor followed PA One Call protocol by dialing 811; unfortunately, the line was not registered because of exemption under current law. Inclusion of production gathering lines under the law would help prevent such tragedy in the future.

In addition to inclusion of production gathering lines under the law, both the House and Senate bills transfer enforcement authority of PA One Call from the Department of Labor & Industry to the Pennsylvania Public Utility Commission. It is our opinion that this is also a common sense update to the law.

Although we no longer own a natural gas distribution utility, I am able to provide examples of how the Department of Labor & Industry handled their duties while EQT was in the business of distributing gas. One such instance took place in 2011 when a utility company struck our lines over 20 times throughout the year, and the Department of Labor & Industry did not issue anything other than a warning letter. At that time, the Department of Labor & Industry made it quite clear that they were tasked with enforcement of many other laws, and did not have the time or resources to investigate every line strike.

As stated during the Department of Labor and Industry's House appropriations hearing earlier this year, the Department currently employs 32 labor law compliance officers. These employees are not solely tasked with enforcement of PA One Call, but also cover other labor law compliance duties. The task of enforcing this program throughout each of Pennsylvania's 67 counties is monumental and with merely 32 officers, who also have other duties within the Department, it seems as if additional resources are needed.

In contrast, the Public Utility Commission possesses the technical expertise to be able to enforce the law. The Commission currently oversees regulation of intrastate pipelines. As the natural gas production industry in Pennsylvania continues to prosper and grow, expansion of the law to production, gathering and distribution lines is logical. Our company will continue to mark our gathering and production lines in all areas of the Commonwealth in an effort to increase public safety. Unfortunately, that is not the case for all companies, which is why this law must be updated to reflect our current production industry.

Thank you in advance for your consideration of these common sense changes to the law that will help protect both workers and citizens in Pennsylvania. At this time I will take any questions that the Committee may have.