
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 855 Session of
2015

INTRODUCED BY GODSHALL, DeLUCA, COHEN, McNEILL, WATSON AND
PICKETT, APRIL 14, 2015

REFERRED TO COMMITTEE ON CONSUMER AFFAIRS, APRIL 14, 2015

AN ACT

1 Amending the act of December 22, 2011 (P.L.586, No.127),
2 entitled "An act providing for gas and hazardous liquids
3 pipelines and for powers and duties of the Pennsylvania
4 Public Utility Commission; and imposing civil penalties,"
5 further providing for the title of the act; in preliminary
6 provisions, further providing for definitions; in pipeline
7 operators, further providing for registry of pipeline
8 operators; in commission authority and enforcement, further
9 providing for general powers of commission, for civil
10 penalties, for jurisdiction and authority of commission and
11 providing for certification of pipeline safety program and
12 application for interstate agent status; replacing the
13 Pennsylvania Public Utility Commission with the Department of
14 Environmental Protection; and making editorial changes.

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

17 Section 1. The title of the act of December 22, 2011
18 (P.L.586, No.127), known as the Gas and Hazardous Liquids
19 Pipelines Act, is amended to read:

20 An Act

21 Providing for gas and hazardous liquids pipelines and for
22 powers and duties of the [Pennsylvania Public Utility
23 Commission] Department of Environmental Protection; and imposing
24 civil penalties.

1 Section 2. Sections 102 and 301 of the act are amended to
2 read:

3 Section 102. Definitions.

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

7 ["Commission." The Pennsylvania Public Utility Commission.]

8 "Department." The Department of Environmental Protection of
9 the Commonwealth.

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

15 "Gas." Natural gas, liquefied natural gas, landfill gas,
16 synthetic natural gas and other gas as defined under the Federal
17 pipeline safety laws.

18 "Hazardous liquids." Petroleum, a petroleum product,
19 anhydrous ammonia and other hazardous liquids as defined under
20 the Federal pipeline safety laws.

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

26 "Pipeline." A part of the physical facilities through which
27 gas or hazardous liquids move in transportation, including a
28 pipe valve and other appurtenance attached to the pipe,
29 compressor unit, metering station, regulator station, delivery
30 station, holder and fabricated assembly. The term only includes

1 pipeline regulated by Federal pipeline safety laws. The term
2 does not include a pipeline subject to the exclusive
3 jurisdiction of the Federal Energy Regulatory Commission.

4 "Pipeline facility." A new or existing pipeline, right-of-
5 way and any equipment, facility or building used in the
6 transportation of gas or hazardous liquids or in the treatment
7 of gas or hazardous liquids during the course of transportation.
8 The term does not include a pipeline facility subject to the
9 exclusive jurisdiction of the Federal Energy Regulatory
10 Commission.

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

17 "Public utility." The term shall mean:

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

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

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

24 "Transportation of hazardous liquids." The gathering,
25 transmission or distribution of hazardous liquids by pipeline.

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

1 hydraulic fracture treatments or by using multilateral well
2 bores or other techniques to expose more of the formation of the
3 well bore.

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

7 Section 301. Registry of pipeline operators.

8 (a) Registry.--The [commission] department shall establish
9 and maintain a registry of all pipeline operators.

10 (b) Application.--The [commission] department may develop an
11 application for registration under subsection (a) and may charge
12 a reasonable registration fee and annual renewal fee.

13 (c) Registration with [commission] department.--

14 (1) A pipeline operator shall register with the
15 [commission] department.

16 (2) Failure to register shall subject the pipeline
17 operator to a civil penalty under section 502.

18 (3) The operator of a pipeline in a Class 1 location
19 that collects or transports gas from an unconventional well
20 shall report the location of the pipeline by class location
21 and approximate aggregate miles for inclusion in the
22 [commission's] department's registry.

23 (d) Disclosure.--The [commission] department shall require
24 each pipeline operator, regardless of class location, to
25 disclose in its initial registration and in each annual renewal
26 the country of manufacture for all tubular steel products used
27 in the exploration, gathering or transportation of natural gas
28 or hazardous liquids. The [commission] department may develop a
29 disclosure form and require its use.

30 (e) Exemptions.--

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

6 (2) The [commission] department shall verify
7 registrations of petroleum gas distributors within the
8 Department of Labor and Industry before requiring a petroleum
9 gas distributor to register under this section.

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

12 Section 3. The heading of Chapter 5 of the act is amended to
13 read:

14 CHAPTER 5

15 [COMMISSION] DEPARTMENT AUTHORITY AND ENFORCEMENT

16 Section 4. Sections 501, 502, 503 and 504 of the act are
17 amended to read:

18 Section 501. General powers of [commission] department.

19 (a) [Commission authority] Authority.--The [commission]
20 department shall have general administrative authority to
21 supervise and regulate pipeline operators within this
22 Commonwealth consistent with Federal pipeline safety laws. The
23 [commission] department may adopt regulations, consistent with
24 the Federal pipeline safety laws, as may be necessary or proper
25 in the exercise of its powers and perform its duties under this
26 act. The regulations shall not be inconsistent with or greater
27 or more stringent than the minimum standards and regulations
28 adopted under the Federal pipeline safety law. The [commission]
29 department shall have the following duties:

30 (1) To investigate a service, act, practice, policy or

1 omission by a pipeline operator to determine compliance with
2 this act.

3 (2) To investigate a pipeline transportation facility to
4 determine if it is hazardous to life or property.

5 (3) To investigate the existence or report of a safety-
6 related condition that involves a pipeline transportation
7 facility.

8 (4) To enter into contracts or agreements with the
9 United States Department of Transportation to inspect
10 intrastate or interstate transmission facilities.

11 (5) Accept grants-in-aid, cash and reimbursements made
12 available to the Commonwealth by the Federal Government to
13 implement Federal pipeline safety laws or other Federal law.

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

17 (7) To enforce the Federal pipeline safety laws and,
18 after notice and opportunity for a hearing, impose civil
19 penalties and fines and take other appropriate enforcement
20 action.

21 (8) For purposes of petroleum gas, the [commission's]
22 department's jurisdiction under this act shall be limited to
23 those petroleum gas systems that are the following:

24 (i) Subject to the Federal pipeline safety laws.

25 (ii) Not a public utility.

26 (b) Compliance.--Each pipeline operator, its officers,
27 agents and employees, and other persons subject to this act, or
28 to an order of the [commission] department, or a court under
29 this act, shall observe, obey and comply with this act and the
30 terms and conditions of the orders issued hereunder.

1 Section 502. Civil penalties.

2 (a) Violations.--Any pipeline operator who violates this act
3 shall be subject to a penalty provided under the Federal
4 pipeline safety laws or [66 Pa.C.S. § 3301(c) (relating to civil
5 penalties for violations)] an amount up to \$1,000 per violation
6 per day, whichever is greater.

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

13 Section 503. [Assessments] Fees.

14 (a) Duty to determine.--The [commission] department shall by
15 regulation [or order] determine the [assessments of] annual fee
16 to be paid by pipeline operators in accordance with this
17 section.

18 (b) Assessments.--

19 (1) The [commission] department shall determine an
20 appropriate annual [assessment] fee based on total interstate
21 or intrastate [regulated] transmission, [regulated]
22 distribution and regulated onshore gathering pipeline miles.
23 The [assessment] fee shall be [adjusted] sufficient to
24 collect the [commission's] department's total costs of the
25 pipeline operators' portion, excluding the costs otherwise
26 reimbursed by the Federal Government, of the department's
27 total costs incurred to administer:

28 (i) The gas pipeline safety program[, plus a
29 reasonable allocation of indirect costs].

30 (ii) The hazardous liquids pipeline safety program.

1 (iii) The department's duties as an interstate
2 agent.

3 (2) The [assessment] fee shall be paid by pipeline
4 operators and shall not be applicable to natural gas public
5 utilities.

6 (3) The [assessment] fee under this subsection shall not
7 apply to boroughs.

8 (c) Time for payment.--The [assessment] annual fee shall be
9 due and payable within 30 days from the notice of amount due
10 from the [commission] department. [The amount of the assessment
11 may be challenged by a pipeline operator consistent with the
12 provisions of 66 Pa.C.S. § 510(c), (d) and (e) (relating to
13 assessment for regulatory expenses upon public utilities).]

14 (d) Reporting of miles.--Following the submission of the
15 original application, each pipeline operator shall, on or before
16 March 31 of each calendar year, report to the [commission]
17 department its total intrastate regulated transmission,
18 regulated distribution and regulated onshore gathering pipeline
19 miles in operation for the transportation of gas and hazardous
20 liquids in this Commonwealth during the prior calendar year.

21 (e) [Estimated fees] Fees.--The [estimated] fees to be
22 collected under this section for each fiscal year shall be
23 subtracted from the final estimate of total expenditures used to
24 calculate [the total assessment on public utilities under 66
25 Pa.C.S. § 510] the annual budget requested by the department for
26 each fiscal year.

27 Section 504. Jurisdiction and authority of [commission]
28 department.

29 (a) Jurisdiction.--Nothing in this act shall give the
30 [commission] department jurisdiction over any pipeline operator

1 for purposes [of rates or ratemaking or any purpose] other than
2 those set forth in this act.

3 (b) Landfill gas distribution systems.--The jurisdiction of
4 the [commission] department over landfill gas distribution
5 systems under this act shall be limited to systems subject to
6 Federal pipeline safety laws. The [commission] department shall
7 not have jurisdiction over operations and systems within the
8 property boundary of the landfill.

9 [(c) Authority.--Nothing in this act grants the commission
10 additional authority to determine or regulate a pipeline
11 operator as a public utility as defined in 66 Pa.C.S. § 102
12 (relating to definitions) or as a natural gas supplier or
13 natural gas supply services as defined in 66 Pa.C.S. § 2202
14 (relating to definitions).]

15 Section 5. The act is amended by adding a section to read:
16 Section 505. Certification of pipeline safety program and
17 application for interstate agent status.

18 (a) Intrastate pipelines.--The department shall submit a
19 certification to the United States Department of Transportation
20 in accordance with 49 U.S.C. § 60105 (relating to state pipeline
21 safety program certifications) to authorize the department to
22 enforce Federal pipeline safety laws regarding intrastate
23 pipelines within this Commonwealth.

24 (b) Interstate pipelines.--The department shall make an
25 agreement with the United States Department of Transportation to
26 become an interstate agent in accordance with 49 U.S.C. § 60106
27 (relating to state pipeline safety agreements) to authorize the
28 department to enforce Federal pipeline safety laws regarding
29 interstate pipelines within this Commonwealth.

30 (c) Deadline.--The department shall submit the certification

1 and make the agreement under subsections (a) and (b) no later
2 than September 30 of each year.

3 (d) Compliance.--The department shall comply with Federal
4 laws and regulations to receive and maintain the authority to
5 enforce Federal pipeline safety laws regarding intrastate and
6 interstate pipelines within this Commonwealth under this
7 section.

8 Section 6. This act shall take effect in 60 days.