

Paul Metro

Chief, Gas Safety Division

Pennsylvania PUC

**PENNSYLVANIA PUBLIC**

**UTILITY COMMISSION**

**MARCELLUS SHALE SUMMIT**

**2010**

# Gas Safety Division

- The Gas Safety Division is responsible for enforcing federal and Commission pipeline safety regulations as they apply to the certificated Natural Gas Utilities and Hazardous Liquid Lines located in Pennsylvania. Acting as an agent for the federal Office of Pipeline Safety and the U.S. Department of Transportation, the Gas Safety Division enforces the federal pipeline safety regulations as adopted by the PUC .

# Gas Safety Division

- The division monitors compliance with Federal and State regulations by conducting frequent inspections of pipeline facilities and records of regulated gas utilities. It also investigates incidents which could include fires, explosions and major outages

# Gas Safety Division

- ⦿ Types of fuels that we inspect:
  - ❖ Natural Gas
  - ❖ Propane
  - ❖ Hazardous Liquids
  - ❖ Landfill Gas

# History

- Fall 2008 Governor's Office contacts PUC to attend a Marcellus Shale meeting with DEP, L&I, Ag
- Several meetings over the next few months
- Participants realize that no state entity regulates Gathering/Intra-state Transmission Lines

## Why should the PAPUC be concerned with the Regulation of “Non Utility Pipelines”?

- Pennsylvania and Alaska are the only states in the country that do not regulate gathering and non-utility intra-state transmission lines – 31 Gas Producing States
- USDOT has jurisdiction, but has stated that the pipelines are located within the state boundaries and thus are Pennsylvania’s responsibility
- USDOT does not have the resources to provide inspections

## Why should the PAPUC be concerned with the Regulation of “Non Utility Pipelines”?

- PAPUC is the only state agency with certified Gas Safety Engineer Inspectors
- PAPUC already has jurisdiction over utility transmission lines
- The gathering and non-utility intra-state transmission lines are supplying our regulated transmission lines and our ratepayers are consuming the natural gas

## Why should the PAPUC be concerned with the Regulation of “Non Utility Pipelines”?

- ⦿ Pipeline complaints are increasing and the public is requesting PUC assistance
- ⦿ Many Gathering Lines are providing metered service to Pennsylvania residents

## Why should the PAPUC be concerned with the Regulation of “Non Utility Pipelines”?

- ◎ The **SAFE** development of Marcellus Shale should benefit all Pennsylvania citizens and the PAPUC should be promoting the consumption of the Marcellus Shale gas and educating the public as to how Marcellus Shale gas will benefit the PA consumers with lower costs

# Definition of a Public Utility

- *Public utility*—Persons or corporations owning or operating in this Commonwealth equipment or facilities for producing, generating, transmitting, distributing, or furnishing gas for the production of light, heat, or power to or for the public for compensation. The term does not include a producer or manufacturer of gas not engaged in distributing the gas directly to the public for compensation.

# Public Utility Legislative Proposal

- ⦿ Proposed changes to modify the current Public Utility definition to include:
- ⦿ (1) pipelines that are defined under federal definition for jurisdictional gathering/intra-state transmission

# Gathering Lines

- Categories of Gathering Lines

- Type “A”**

- => 20% SMYS for metallic pipe; or  
Above 125 psig for non-metallic

- Type “B”**

- < 20% SMYS for metallic pipe; or  
At or below 125 psig for non-metallic

(Specified Minimum Yield Strength – Hoop Strength);

# Gathering Line Definition

- Regulated **Type A**

Located in Class Locations 2, 3 and 4

- Regulated **Type "B"**

Area 1 - Located in Class Locations 3  
and 4

Area 2 - Located in Class Location 2 with  
caveats

# Gathering Line Definition

- Regulated **Type B** – Area 2
- Determinations
- (a) A Class 2 location.
- (b) An area extending 150 feet on each side
- of the centerline of any continuous 1 mile of
- pipeline and including more than 10 but
- fewer than 46 dwellings.

# Class Locations

- (1) A Class 1 location is:
  - (i) An offshore area; or
  - (ii) Any class location unit that has
- 10 or fewer buildings intended for
- human occupancy.

# Class 2 Location

- ⦿ (2) A Class 2 location is any class location
- ⦿ unit that has more than 10 but
- ⦿ fewer than 46 buildings intended for
- ⦿ human occupancy.

# Class 3 and 4 Locations

- (3) A Class 3 location is:
- (i) Any class location unit that has 46
- or more buildings intended for human
- occupancy; or
- (ii) An area where the pipeline lies
- within 100 yards (91 meters) of either a
- building or a small, well-defined outside
- area (such as a playground, recreation
- area, outdoor theater, or other
- place of public assembly) that is occupied
- by 20 or more persons on at least
- 5 days a week for 10 weeks in any 12-
- month period. (The days and weeks
- need not be consecutive.)

# Class 3 and 4 Locations

- ④ (4) A Class 4 location is any class location
- ④ unit where buildings with four
- ④ or more stories above ground are prevalent

# Safety Regulation Only

- PAPUC does not want economic regulations for non-utility pipelines
- Will continue to regulate rates for utility pipelines









# Paul J. Metro

- PAPUC

- 717.787.1063

- [pmetro@state.pa.us](mailto:pmetro@state.pa.us)