



MIDSTREAM'S GREATEST RESOURCE

December 29, 2015

VIA ELECTRONIC FILING

Secretary John Quigley
Chairman
Pipeline Infrastructure Task Force
Department of Environmental Protection
400 Market Street
Harrisburg, PA 17101

Re: Gas Processors Association Comments on the Governor's Draft Pipeline Infrastructure Task Force (PITF) February 2016 Report

Dear Secretary John Quigley:

The Gas Processors Association ("GPA") appreciates the opportunity to submit comments on Governor Tom Wolf's Draft Pipeline Infrastructure Task Force (PITF) February 2016 Draft Report. GPA has numerous member companies that own or operate midstream facilities in Pennsylvania. These same member companies also employ a significant number of Pennsylvanians that will be directly impacted by this report.

GPA has served the U.S. energy industry since 1921 as an incorporated non-profit trade association. GPA is composed of over 100 corporate members of all sizes that are engaged in the gathering and processing of natural gas into merchantable pipeline gas, commonly referred to in the industry as "midstream activities." Such processing includes the removal of impurities from the raw gas stream produced at the wellhead, as well as the extraction for sale of natural gas liquid products (NGLs) such as ethane, propane, butane, and natural gasoline. GPA's members account for more than 90% of the NGLs produced in the United States from natural gas processing. Our members also operate hundreds of thousands of miles of domestic gas gathering lines and are involved with storing, transporting, and marketing natural gas and NGLs.

Midstream activities are a critical link in the chain of the production, gathering, processing and transmission of Pennsylvania natural resources. GPA member companies that have built or are building pipelines in Pennsylvania are already subject to numerous regulations and laws, both state and federal. The industry has a solid safety record in Pennsylvania, and a large part of that safety success is due to compliance with federal and state regulations and laws already in existence.

On May 27, 2015, Governor Wolf announced the formation of the PITF to address future pipeline infrastructure construction needed to accommodate the transportation of natural gas and related products from the increased production within the state. The goal of the PITF was to hold meetings among a group of selected stakeholders to prepare a report for Governor Wolf by February 2016. The report is an effort to identify current policies in place and to develop additional policies as needed to assist with the new pipeline development. During the formation of the PITF, GPA submitted an application to participate on the PITF, however ultimately GPA was not selected for the panel even though GPA members have significant operations in Pennsylvania.

GPA is submitting these comments on behalf of its member companies and also in support of the comments submitted by the Marcellus Shale Coalition (MSC) and the American Petroleum Institute (API) to the draft report of the PITF.

Of major concern to GPA is the lack of midstream industry members represented on the PITF working groups. The working groups developed all 184 recommendations and there was little opportunity to review the recommendations in detail at the full task force level. Some working groups had no representatives and a number of others had minimal participation from the industry. The industry's voice is vital to the working groups and also vital to achieving the desired goal of consensus. GPA is concerned that the lack of midstream representation could result in unnecessary, redundant and harmful recommendations that could have been avoided by having an opportunity to educate the members of the PITF. The midstream infrastructure is a vital component in the development of the Commonwealth's shale gas resources. GPA members operate hundreds of thousands of miles of domestic gas gathering lines and that number continues to grow as production of shale gas increases. Without the services provided by GPA members, the delivery of natural gas and NGLs to market would not be possible. We encourage the final report of the Task Force to contain a balanced discussion of the important and necessary role that pipelines and energy resources play in the Commonwealth economy and the quality of life of its citizens.

In numerous comments prior to the convening of the PITF, we understood the purpose of the PITF was not to identify new statutory or regulatory changes. We feel the current state and federal regulatory environment is sufficiently adequate to avoid, minimize or mitigate impacts associated with the infrastructure buildout in Pennsylvania. In fact, the regulatory requirements in the Commonwealth are among the most rigorous environmental, regulatory and permitting requirements in shale states. Those recommendations that reference the development of regulation or legislation should be deleted from the Final PITF Report. Furthermore, the draft report fails to take into account or explain the current federal and state regulatory structure already in place to ensure that the environment is protected and the public has multiple opportunities to participate. The final report should include a thorough review of the current state and federal regulatory requirements for the development of pipelines.

Many of the recommendations fail to recognize the role of property owners in the siting and location of pipelines. There is no greater factor affecting construction of pipelines than the willingness of landowners to host pipelines on their property; this is especially true for gathering lines. Landowners dictate whether to even permit such crossings; where on the property a pipeline may be installed; and how their land must be utilized and reclaimed after the temporary construction period has passed. The multitude of recommendations that would seek to impose numerous requirements on pipeline operators regarding planning, right-of-way location and attributes, public engagement, co-location and more should be deleted or significantly modified to recognize the role of landowners in these matters.

A number of recommendations call for some degree of landscape-level planning. It is in the operator's best interest to avoid impacts. Many operators conduct their own version of such planning. However, the operator must take a number of items, including the wishes of a property owner, into consideration. Operators should not be required to go through a landscape planning process with the state or a local government. Similarly, operators should not be required to submit evidence of their undertaking landscape planning to a government agency.

With regard to the many recommendations dealing with mapping, PHMSA has primacy for mapping

purposes. For commercial, security and environmental protection reasons, operators generally cannot share maps with the public. Operators can and do share line location information with One Call and could share some information with county emergency management officials, as long as it is not public information.

Many of the recommendations that call for colocation of pipelines fail to recognize that companies already explore these opportunities. Commercial, environmental permitting, landowner wishes and other concerns take precedent when deciding whether to co-locate or share. Private property rights and property issues may not facilitate use of existing pipeline corridors. Industry cannot be made to share ROWs with others or reuse our own existing ROWs, nor should this be made a part of the permitting process.

Finally, a number of recommendations call for new requirements for pipeline safety. These recommendations stray well beyond the purpose of the PITF and call for new laws and/or regulations as well as new requirements on pipeline operators in the form of binding best practice. Additionally, the recommendations conflict with Pennsylvania's Gas and Hazardous Liquids Pipeline Act (Act 127 of 2011) which prohibits the commonwealth's requirements for pipeline safety from being inconsistent with or greater or more stringent than the minimum standards and regulations adopted under the federal pipeline safety laws. The federal government has primary jurisdiction over pipeline safety matters. In fact, the U.S. Department of Transportation's Pipeline and Hazardous Materials Safety Administration is working to address a number of the issues raised in the recommendations, including minimum construction standards, corrosion protection, and more.

We hope that the issues outlined in these comments provide perspectives to be considered when PITF evaluates a more meaningful method for meeting its stated objectives.

GPA appreciates the opportunity to submit these comments on the draft report. And, again, we support the comments submitted by the Marcellus Shale Coalition and API-PA. Please contact me if GPA can be of assistance to PITF/DEP as this effort moves forward. I can be reached by phone at (918)493-3872 or by email at dbeaver@gpaglobal.org.

Sincerely,

Debbie Beaver
Director of State Government Affairs