

**Commonwealth of Pennsylvania**  
**House of Representatives**  
**Consumer Affairs Committee**  
**Pipeline and Hazardous Materials Safety Administration**  
**February 24, 2011**  
**Written Statement**

The Pipeline Safety Laws set forth in 49 U.S.C. § 60101 *et seq.* authorize the Secretary of the Department of Transportation (DOT) to prescribe safety standards for pipeline transportation and for pipeline facilities. These standards are codified in 49 C.F.R. parts 190 through 199 and set the safety standards for the design, installation, inspection, emergency plans and procedures, testing, construction, operation, replacement, and maintenance of pipeline facilities. The Pipeline and Hazardous Materials Safety Administration (PHMSA), along with its state partners, perform pipeline inspections and enforce regulations to insure adequate protection against the risks to life, property and the environment.

The Pennsylvania Utility Commission (PUC) currently has a state program certification on file with PHMSA. As a long standing and valued partner, the PUC Gas Safety Division routinely inspects gas distribution and some intrastate transmission lines within Pennsylvania, but is limited by the definition of a “public utility”. PHMSA conducts compliance and enforcement activities for the Pennsylvania pipeline facilities that are exempt from PUC oversight. If subject to PUC oversight, it is likely these facilities would be inspected more frequently. Pennsylvania benefits from state oversight of the natural gas pipeline facilities through more frequent inspections, familiarity with local concerns and issues, and far quicker response time by regulators should a safety concern arise.

Pursuant to 49 U.S.C. § 60107, PHMSA has statutory authority to provide grant funds for reimbursement of a portion (up to 80%) of a state utility commission’s costs to oversee intrastate natural gas pipeline safety. To receive the maximum grant funding available, the state legislature must give the PUC the authority to inspect all intrastate pipelines including but not limited to municipals, co-ops, and privately owned transmission pipelines. If such authority is enacted, PHMSA would provide the extent of allowable grant funding described.

The latest PHMSA evaluation of the PUC Gas Safety Division resulted in reduced grant funding since the PUC lacked full authority to inspect all intrastate pipelines subject to the federal pipeline safety regulations. According to the Department of Energy’s Energy Information Administration, there are thirty-one states where natural gas is produced within the United States. Of those thirty-one, twenty-nine have the statutory authority to regulate gas gathering within their boundaries. Responsibility for regulatory oversight of gathering lines in Alaska rests solely with PHMSA, since the state does not participate in the pipeline safety program. Pennsylvania remains the only other state without this full authority, since Pennsylvania only regulates facilities that meet its definition of a public utility.