

Statement of the
Pennsylvania Independent Oil and Gas Association
Before the
House Consumer Affairs Committee
February 24, 2011

Good morning Chairman Godshall, Chairman Preston and Committee members. My name is Louis D'Amico, President and Executive Director of the Pennsylvania Independent Oil and Gas Association (PIOGA). PIOGA is an industry trade association representing oil and natural gas producers, service companies and associated businesses in Pennsylvania. Our producer members include shallow oil producers, conventional natural gas producers, coalbed methane producers and Marcellus Shale producers.

I appreciate the opportunity to address HB 344, authorizing the PUC to act on behalf of the federal Pipeline and Hazardous Materials Safety Administration (PHMSA) through delegation of PHMSA's authority to the state. Although the PHMSA program is an excellent one, administration of this program by the PUC will further assure the work of protecting the people of the Commonwealth.

PIOGA supports the bill as currently written. The standards of the PHMSA program were carefully crafted to assure safety of the nation's pipeline system. PIOGA supports the language of the bill maintaining the standards at the PHMSA level. Of further interest, PIOGA fully supports the language that limits the Commission to safety regulation.

The competitive nature of midstream pipelines cannot be maintained if regulated as public utilities. The relationship between producers and midstream transporters is best served through individual company to company negotiation. The Commission should continue to maintain its role regulating those utility company facilities that directly serve the public – individual consumers of natural gas, commercial endusers and industrial endusers.

The language of HB 344 addresses these issues well. We support the bill as currently written.