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VIA ELECTRONIC FILING

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
400 North Street
Harrisburg, PA 17120

April 12, 2022

RE: Docket No. L-2019-3010267 Hazardous Liquid Public Utility Safety Standards at 52 Pa. Code Chapter 59 Notice of Proposed Rulemaking Order

I write on behalf of the Pennsylvania Chamber of Business and Industry, the largest, broad-based business advocacy organization in the Commonwealth in response to the Public Utility Commission's request for comment regarding Docket No. L-2019-3010267 Hazardous Liquid Public Utility Safety Standards at 52 Pa. Code Chapter 59 Notice of Proposed Rulemaking Order, as published in 52 Pa.B. 992 of Feb. 12, 2022. The PA Chamber represents nearly 10,000 member companies of all sizes and industrial and commercial categories, and our interest in this matter is to ensure a regulatory environment that is in keeping with the energy policy goals established by our diverse board of directors.

The Pennsylvania Chamber of Business and Industry believes that environmental excellence and economic growth are mutually-compatible objectives, and that environmental and natural resources laws and programs should be framed and implemented to concurrently meet these twin objectives. The PA Chamber advocates for energy and environmental laws, regulations and policies that:

- are based on sound science and a careful assessment of environmental objectives, risks, alternatives, costs and economic and other impacts;
- set environmental protection goals, while allowing and encouraging flexibility and creativity in their achievement;
- allow market-based approaches to seek attainment of environmental goals in the most cost-effective manner;
- measure success based on environmental health and quality metrics rather than fines and penalties;
- do not impose costs which are unjustified compared to actual benefits achieved;

- do not exceed federal requirements unless there is a clear, broadly accepted, scientifically-based need considering conditions particular to Pennsylvania; and
- develop a private-public relationship which promotes working together to meet proper compliance.

The products transported on the utility infrastructure to be regulated under this order are vital and necessary to the health, safety and convenience of modern life. The transportation and use of oil, refined product, butane, ethane, propane and their derivatives support tens of thousands of jobs in the state, as well as provide fuels for transportation, power generation, and residential, commercial and industrial heating. Further, these liquids are used in a variety of pharmaceutical, medical devices, advanced manufacturing, and consumer packaged goods contexts. The products transported through the intrastate regulated pipelines support energy independence and security to the state and its population. At a time of significant inflation and supply chain issues, we encourage the PUC to consider the cost implications of this proposal may have, and the potential disruption it may have to the supply of such products. The PUC's mission is to ensure both safe and reliable utility service at reasonable rates; significant disruption to the reliable operation of utility infrastructure may occur should the proposed requirements be finalized. Imposing overly costly cumbersome state requirements on in-state infrastructure could create a perverse incentive for oil and gas products to be delivered into the state by other means.

We noted in comments filed to in the ANOPR that we appreciate the PUC's discussion in the ANOPR of the jurisdictional issues at play with respect to the Commission's authorization to regulate interstate and intrastate pipeline infrastructure, and we supported the Commission's stated desire to not establish a regulatory framework that is rendered moot by pre-emption by federal statute.

As we also noted in the ANOPR docket, it remains our position that comprehensive existing federal pipeline safety requirements under 49 CFR 195 are sufficient in protecting public health, safety, and the environment. As the Commission noted previously throughout the ANOPR, nearly every issue raised for comment is being regulated by the requirements of 49 CFR 195. The Commission has also exercised its delegated regulatory authority under these requirements and existing state requirements in enforcement proceedings against pipeline operators. In addition, the state's Regulatory Review Act requires a comprehensive analysis of the costs and benefits of proposed rulemaking. PUC should note on its

regulatory analysis for this rulemaking the potential costs incurred by operators and end users should there be a disruption of service of existing facilities in order to comply with the regulation.

Finally, the ANOPR requested comment on “Integration of new regulation on existing facilities.” We noted that it would have been difficult to provide perspective on matter given there are not detailed proposed regulations to map onto the operation of existing facilities. After reviewing the proposed rulemaking in consultation with our members who would have compliance obligations, we must note that the proposed rulemaking will be extremely challenging and costly for existing facilities. To wit, the depth of cover and underground clearance requirements would require substantial digging, earth disturbance and construction activity and would exceed federal requirements. Such activity may also result in significant cost to operators of regulated facilities and suspend delivery of product on utility infrastructure, in conflict with the PUC’s charge to ensure reliable utility service at reasonable rates. PA Chamber members who would have compliance obligations under this proposed rulemaking estimate the cost of compliance with these requirements would exceed tens of millions of dollars per mile. Further, it may not be feasible in populated areas with substantial utility crossings to ensure twelve inches of underground clearance. PHMSA has recognized this issue in its regulations, by allowing closer installation of underground pipelines provided there is a demonstration of adequate cathodic protection.

In closing, thank you for the opportunity to provide comment on this matter and we look forward to continuing to engage with the Commission on thoughtful energy regulatory policy.

Sincerely,

A handwritten signature in black ink, appearing to read "Gene Barr", is positioned above the typed name.

Gene Barr
President and CEO