PENNSYLVANIA PUBLIC UTILITY COMMISSION HARRISBURG PENNSYLVANIA 17120

Amended Petition of State Senator Andrew E.
Dinniman for Interim Emergency Relief;
Pennsylvania State Senator Andrew E.
Dinniman

Public Meeting held June 14, 2018 3001453-OSA P-2018-3001453; C-2018-3001451

v. Sunoco Pipeline, L.P.

MOTION OF CHAIRMAN GLADYS M. BROWN

Before the Commission is the *Interim Emergency Order and Certification of Material Question (Interim Emergency Order)* issued by Administrative Law Judge Elizabeth Barnes (ALJ) on May 24, 2018, which granted the Petition of Senator Andrew E. Dinniman and is now before the Commission pursuant to our regulations providing for Commission review of interim emergency orders.¹ The material question is as follows:

Whether the evidentiary record supports the provisions of the *Interim Emergency Order* which (a) enjoins Sunoco from all current operation on Mariner East 1 [ME 1]; and (b) enjoins construction, including drilling activities on the Mariner East 2 [ME 2] and Mariner East 2X [ME 2X] pipelines, all in West Whiteland Township, Pennsylvania until the entry of a final Commission Order in the formal complaint proceeding at Docket No C-2018-3001451?

As a preliminary matter, Sunoco challenges the ability of Senator Dinniman to exercise representational/legislative standing to prosecute this case and the underlying formal complaint.² The ALJ found that the prior Commission orders in other dockets³ supported a finding that the Senator was entitled to such status in the present case. While I do not concede that the cases, largely where legislators were granted intervenor status in other dockets, would justify granting representation/legislative standing in this case, here Senator Dinniman actually lives in West Whiteland Township and has standing as a resident and property owner. The Parties have already engaged in extensive litigation and have brought the substantive issues surrounding the *Interim Emergency Order* before the Commission for decision. Therefore, we are hard pressed to find that the question of standing is anything but moot at this point.

The grant of an interim emergency order requires that the petitioning party prove all four parts of a four-prong test, proving:

(1) The petitioner's right to relief is clear.

¹ 52 Pa. Code § 3.10(b).

² Note that our May 3rd Order in a prior case, Petition of the Bureau of Investigation and Enforcement of the Pennsylvania Public Utility Commission for the Issuance of an Ex Parte Emergency Order, Docket No. P-2018-3000281 ("Ex Parte Order"), stated that Senator Dinniman had full party status in his own complaint case did not specify whether his status was in his own right or representation/legislative in nature.

³ Senator Vincent J. Fumo v. Bell Atlantic – Pennsylvania, Docket No. I-00990080 (1998) (Senators Roger A. Madigan and Senator Mary Jo White intervened).

- (2) The need for relief is immediate.
- (3) The injury would be irreparable if relief is not granted.
- (4) The relief requested is not injurious to the public interest.⁴

These four factors will be addressed as they apply to both the existing ME 1 and the two pipelines under construction, ME 2 and ME 2X.

1. Whether the Petitioner's right to relief is clear.

The ALJ found that the stated standard in the regulation, advocated by Sunoco, that there is a clear and present danger to life or property, should be read as it has been in civil courts to mean that substantial legal questions have been raised.⁵ I note that no Commission cases using that standard were cited.

The ALJ reasoned that the continued operation of ME 1 could create a clear and present danger to life or property, in part because of the recent occurrence of sinkholes along Lisa Drive in West Whiteland Township. Ido not agree that the integrity of ME 1 remains at issue as Sunoco performed all of the necessary steps as directed in that matter to the satisfaction of the Commission's Gas Safety Division of our Bureau of Investigation & Enforcement (BI&E). While the record contains accounts of Sunoco's mishaps in other jurisdictions and other pipelines, there is no new, credible evidence to support a finding that the continued operation of ME 1 poses a clear and present danger to life or property in West Whiteland Township.

The construction for ME 2 and ME 2X has posed more serious challenges to the citizens of West Whiteland Township, specifically the horizontal directional drilling (HDD) and its effect on local residential and commercial wells. I note that Sunoco has ceased this type of activity in West Whiteland Township and has applied to the Department of Environmental Protection (DEP) for a change in its permits to allow it to proceed in a fashion other than that already approved by the DEP. Although Sunoco testified that it is not continuing with construction until the DEP permit is issued in West Whiteland Township, it is prudent to require that the permit be in place prior to restarting work on ME 2 and ME 2X. Because of the record evidence regarding HDD and the impact to wells within West Whiteland Township, the Petitioner's right to relief is clear.

2. Whether the Need for Relief is Immediate.

The ALJ relied upon evidence from other jurisdictions and DEP violations to find that Sunoco's construction practices were sufficiently alarming to justify an immediate stop to both construction on the new lines and operations on ME 1. While I recognize that the construction

^{4 52} Pa. Code § 3.6(b).

⁵ Interim Emergency Order at 9, citing T.W. Phillips Gas and Oil v. Peoples Natural Gas, 492 A.2d 776 (Pa. Cmwlth. 1985). But see, Petition of Direct Energy Services, LC for Emergency Oder Approving a Retail Aggregation Bidding Program for Customers of Pike County Light & Power Company, Docket No. P-00062205 (Order entered April 20, 2006); Petition of National Fuel Gas Distribution Corp. for Emergency Order Granting a Temporary Waiver of Certain Tariff Rules Related to Transportation Service, Docket Nos. P-961022 and P-061021 (Order entered March 19, 1996)(both cases using the "clear and present danger to life or property" standard).

⁶ Ex Parte Order.

⁷ At the time of this public meeting, DEP had not issued the new permit.

caused a number of DEP violations and subsequent civil penalties, these concerns are specific to new construction and have no bearing on the continued operation of ME 1. Accordingly, this prong is not met for ME 1.

However, the need for relief is immediate for ME 2 and ME 2X because Sunoco could resume construction on ME 2 and ME 2X as soon as DEP issues the permits.

3. Whether the Injury Would be Irreparable if Relief is Not Granted.

Again, it is the contamination or disturbance of public wells and harm that further subsidence could cause to ME1 that drive the ALJ's finding that the injury would be irreparable if the emergency relief is not granted. This is caused by the construction of the new pipelines and not by the continued operation of ME1. Therefore, this prong is not met for ME1.

While there is insufficient evidence to support a finding that ME 1 is being operated unsafely in West Whiteland Township, I do find that there is sufficient evidence to support a finding that the construction on ME 2 and ME 2X should remain halted until Sunoco meets the requirements that will be imposed by this Motion. Accordingly, this prong is met for ME 2 and ME 2X.

4. Whether the Interim Emergency Relief is Injurious to the Public

I wholeheartedly agree with the ALJ that the risk of physical injury or death because of unsafe construction is catastrophic. However, there is also a very real harm to the public economically in the continued shutdown of ME 1, which plays an important role in local, state and the national economy.⁸

The primary concern of this Commission is the safety of the public as well as the safety of the utility workers. Regardless of the monetary costs involved in shutting down a ME 1, the Commission will not hesitate to shut it down when and if the conditions indicate that there is an imminent threat to that safety. In fact, quite recently, the Commission did just that. However, where there is no sign of imminent danger, the evidence presented by Sunoco regarding the economic harm that is caused by the shutdown of ME 1 is difficult to ignore as it measures in the millions, affecting the jobs and businesses of many Pennsylvanians. I reiterate that Sunoco has performed all of the necessary steps as directed in that matter to the satisfaction of the Commission's BI&E. Under these circumstances, the relief requested is in fact, injurious to the public interest, and this factor has also not been met for ME 1.

ME 2 and ME 2X present a different scenario, as the construction is yet to be completed and the Commission can ensure that Sunoco meets requirements consistent with safe practices. Any economic injury to the utility or the public in continuing the injunction on construction of ME 2 and ME 2X is outweighed by the risk posed to the continued safe operation of ME 1 and the contamination of water wells and the direct impact on local residents and their properties in

⁸ See Amicus Curiae Brief of Range Resources, testimony of Alan Engbert, Tr. 604; testimony of Anthony Gallagher, Steamfitters Local 420; Braskem, Tr. 490; testimony of Richard Billman, Vice President of Business Development, Energy Transfer Partners and Sunoco Pipeline, LP, Tr. 621;

the township. Until the requirements set forth below are satisfied with regard to construction of ME 2 and ME 2X, this fourth prong is met.

It is important to point out that the underlying complaint may support a different conclusion following completion of the litigation before the ALJ. Our decision today only addresses whether interim emergency relief in the form of an injunction shutting down the operation of ME 1, ME 2, and ME 2X should be granted.

Upon review of the record in this matter, I find that Sunoco must provide additional information in the Formal Complaint Proceeding in order for the Commission to determine whether construction can safely restart on the ME 2 and ME 2X pipelines in West Whiteland Township. Consistent with the *Interim Emergency Order*, Sunoco is directed to file the following information within twenty days of the entry date of the Commission's Order pursuant to this Motion:

- 1. Inspection and testing protocols, including but not limited to:
 - a. Preventative inspection and maintenance
 - b. Leak detection and repairs
 - c. Frequency of inspections and testing
- 2. Comprehensive emergency response plan, including but not limited to:
 - a. Communications and coordination necessary to report and respond to a release or ignition of highly volatile liquids from pipelines or appurtenances
 - b. Public educational materials and notification protocols intended to instruct how affected parties along the right-of-way should respond and how Sunoco will notify the public in the event of a pipeline-related incident
 - c. Specific procedures pertaining to coordination with state and local officials, local fire, police, the Pennsylvania Emergency Management Agency (PEMA), the Pipeline and Hazardous Materials Safety Administration (PHMSA), this Commission, and other utilities located in West Whiteland Township in responding to an incident
- 3. Current safety training curriculum for employees and contractors, including but not limited to:
 - a. Proper pipeline construction, operation and maintenance
 - b. Identification of leaks and procedures for alerting emergency personnel.

In addition, we require that Sunoco provide a verification or affidavit that the Department of Environmental Protection has issued the appropriate permission for continued construction of Mariner East 2 and Mariner East 2X in West Whiteland Township, when it is granted.

Sunoco is reminded that the requirements established in the prior docket, *Petition of the Bureau of Investigation and Enforcement of the Pennsylvania Public Utility Commission for the Issuance of an Ex Parte Emergency Order*, Docket No. P-2018-3000281 (Order entered May 3, 2018), remain in effect. I also expect that Sunoco will continue to cooperate and to work closely with the BI&E, including giving advance notice and coordination of any construction, including and especially construction involving drilling.

I note further that any confidential information that must be included in this filing is subject to Commission rules and the protective order in effect in this docket.

We will not decide today the validity of the remainder of the ALJ's ordering paragraphs which direct Sunoco to report certain facts, to develop and implement training, to educate the first responders and to conduct additional tests. We look forward to a closer review, through the formal complaint proceeding, of the submission of additional evidence of Sunoco's geophysical and geotechnical studies and analyses, including resistivity, seismic and gravity, in any areas in West Whiteland Township where Sunoco will use HDD.

Sunoco shall file and serve the documents listed in this Motion, and the other Parties to this docket shall have ten days to file an opinion on whether the content of the filing satisfies items number 1-3 above. All requested documents shall also be filed with the Commission's Office of Special Assistants which will evaluate the Sunoco filings and any responses filed thereto by the Parties, and will prepare a public meeting report for the next reasonably possible public meeting.

THEREFORE, I MOVE;

1. That the material question certified to the Commission:

Whether the evidentiary record supports the provisions of the *Interim Emergency Order* which (a) enjoins Sunoco from all current operation on Mariner East 1; and (b) enjoins construction, including drilling activities on the Mariner East 2 and Mariner East 2X pipelines, all in West Whiteland Township, Pennsylvania, until the entry of a final Commission Order in the formal complaint proceeding at Docket No C-2018-3001451?

Section (a) is answered in the negative; and Section (b) is answered in the affirmative.

- 2. That ALJ's Interim Emergency Order is modified in part consistent with this Motion.
- 3. That the Petition for Interim Emergency Relief filed by Senator Andrew E. Dinniman is granted, in part, and denied, in part, consistent with this Motion.
- 4. That Ordering Paragraph No. 5 of the Interim Emergency Order is reversed and the injunction against operation of the Mariner East 1 pipeline is dissolved and resumption of operations of the pipeline is authorized, consistent with the processes and directives as contained in the Commission Order entered at Petition of the Bureau of Investigation and Enforcement of the Pennsylvania Public Utility Commission for the Issuance of an Ex Parte Emergency Order, Docket No. P-2018-3000281 (Order entered May 3, 2018).
- 5. That the injunction against construction of Mariner East 2 and Mariner East 2X remains in effect until this Commission lifts it.
 - a. That, in order to seek resumption of construction on Mariner East 2 and Mariner East 2X, Sunoco shall file and serve to the parties of record and the Office of Special Assistants the following information within twenty (20) days of the entry date of the Order pursuant to this Motion:
 - i. Its inspection and testing protocols, including but not limited to:
 - 1. Preventative inspection and maintenance
 - 2. Leak detection and repairs
 - 3. Frequency of inspections and testing
 - ii. Its comprehensive emergency response plan, including but not limited to:

- Communications and coordination necessary to report and respond to a release or ignition of highly volatile liquids from pipelines or appurtenances
- Public educational materials and notification protocols intended to instruct how affected parties along the right-of-way should respond and how Sunoco Pipeline will notify the public in the event of a pipeline-related incident
- 3. Specific procedures pertaining to coordination with state and local officials, local fire, police, the Pennsylvania Emergency Management Agency, the Pipeline Hazardous Materials Safety Administration, this Commission, and other utilities located in West Whiteland Township in responding to an incident
- iii. Current safety training curriculum for employees and contractors, including but not limited to:
 - 1. Proper pipeline construction, operation and maintenance
 - 2. Identification of leaks and procedures for alerting emergency personnel.
- 6. That Sunoco provide a verification or affidavit that the Department of Environmental Protection has issued the appropriate permission for continued construction of Mariner East 2 and Mariner East 2X in West Whiteland Township, when it is granted.
- 7. That any Party to the Petition docket may file and serve a response to items No. 1-3 as outlined in this Motion within ten (10) days of service of the Sunoco filings which may address whether Sunoco's information fully addresses the issues in this directive.
- 8. That all requested information be served on the Commission's Office of Special Assistants.
- 9. That upon receipt of any responses to Sunoco's filing pursuant to the prior ordering paragraphs, the Office of Special Assistants shall prepare a report for the Commission's consideration at the next reasonably possible public meeting.
- 10. That the Complaint filed by Senator Andrew E. Dinniman against Sunoco Pipeline, L.P., at Docket No. C-2018-3001451 is to proceed at the Office of Administrative Law Judge for appropriate proceedings.
- 11. That a copy of the Commission's Order pursuant to this Motion be served upon the Pennsylvania Department of Environmental Protection and the Commission's Bureau of Investigation & Enforcement.
- 12. That the Commission's Office of Special Assistants prepare an appropriate order consistent with this motion.

June 14, 2018 DATE

Gladys M. Brown, Chairman

PENNSYLVANIA PUBLIC UTILITY COMMISSION HARRISBURG, PENNSYLVANIA 17120

Pennsylvania State Senator Andrew E. Dinniman Public Meeting June 14, 2018 3001453-OSA Docket No. C-2018-3001451 P-2018-3001453

v.

Sunoco Pipeline, L.P.

JOINT STATEMENT OF COMMISSIONERS JOHN F. COLEMAN, JR. AND NORMAN J. KENNARD

Before the Pennsylvania Public Utility Commission (Commission) for consideration and disposition is the Interim Emergency Order and Certification of Material Question issued by Administrative Law Judge (ALJ) Elizabeth Barnes on Mary 24, 2018, in the above captioned, consolidated proceeding.

The Interim Emergency Order granted the Petition of Senator Dinniman requesting interim emergency relief and is now before the Commission for disposition consistent with our regulations.¹ Briefs in support and opposition to the Interim Emergency Order were filed by the parties to the proceeding.

Based on a review of the record and briefs, we agree with the proposed motion to resume service on Mariner East 1 (ME1) for the reasons set forth in the motion. However, we do not agree with the proposed motion on standing and do not agree with upholding the stay of construction on Mariner East 2 (ME2) and Mariner East 2X (ME2X). Therefore, we would answer the material question in the negative, reverse the Interim Emergency Order, and return the matter to the Office of Administrative Law Judge for further proceedings on the underlying Formal Complaint at this consolidated docket.

Standing

We do not agree with the Interim Emergency Order that Senator Dinniman has representational standing in his official capacity as a senator representing the interests of the residents of West Whiteland Township to seek the interim emergency relief requested in the Complaint. When determining whether an individual has legislative standing, the relevant case precedent focuses on whether a denial of the relief requested would impair the performance of the individual's legislative duties.²

¹ 52 Pa. Code §3.10(b).

² Markham v. Wolf, 136 A.3d 134, 145 (Pa. 2016), citing Fumo v. City of Philadelphia, 972 A.2d 487, 502 (Pa. 2009).

Here, Senator Dinniman has not shown any specific legislative duty that would be impaired if interim emergency relief is not granted. Specifically, the ALJ found that "Senator Dinniman's interest is direct because it will be adversely affected by the actions challenged in this Complaint and Emergency Petition." *Interim Emergency Order* at 6. However, the Senator's interest in serving on "several committees that address water issues[, and his] personal knowledge of the subject matter and [having] the responsibility of commenting on or approving expenditures related to water resources in Chester County[,]" are not legislative duties that are diminished or impaired in any way by the operation of ME1 and construction of ME2 and 2X. The Senator's performance of each specified duty is not impacted by the denial of emergency relief in this case.

Although we do not believe Senator Dinniman has legislative standing to seek the emergency relief requested in the Complaint, the Senator may have standing in a personal capacity. To have such standing, the Senator's interest in the proceeding must be direct, immediate, and substantial.³ Therefore, we would return the issue of Senator Dinniman's personal standing to the ALJ for review, consistent with a more fully developed record on the impact to Senator Dinniman as a property owner and resident of West Whiteland Township.

Emergency Relief

To obtain interim emergency relief from the Commission, a petitioner must prove that all of the following four elements are met: (1) his right to relief is clear (i.e., that he has raised substantial legal questions); (2) the need for relief is immediate; (3) the injury would be irreparable if relief is not granted; and (4) the relief requested is not injurious to the public interest.⁴

We acknowledge that Senator Dinniman has raised substantial legal questions here, and we understand the safety concerns expressed by him and others about ME2 and ME2X. Upon review of the record evidence, however, the Senator has not shown that there is an *immediate* safety threat that warrants halting construction on ME2 and ME2X. Therefore, we do not believe the Senator has met his burden of proof for interim emergency relief.

In the Interim Emergency Order, the ALJ found that the need for injunctive relief was immediate on ME2 and ME2X because she was persuaded by the evidence presented by Senator Dinniman and his expert regarding pipeline leaks, inadvertent return issues, and Pennsylvania Department of Environmental Protection (DEP) regulation violations. *Interim Emergency Order* at 17. The ALJ also primarily determined that the need for injunctive relief was immediate based on an incident involving Sunoco Pipeline L.P.'s (Sunoco) use of unqualified welders in the state of Texas in 2016. *Id.* Further, the ALJ found that Senator Dinniman established an immediate need for relief based on *potential* threats to water sources in West Whiteland Township, including aquifer and private wells issues resulting from subsidence or sink holes related to Sunoco's construction practices on ME2 and ME2X. *Id.* at 13.

³ Ken R. ex rel. C.R. v. Arthur Z., 546 Pa. 49, 682 A.2d 1267 (1996); William Penn Parking Garage, Inc. v. City of Pittsburgh, 464 Pa. 168, 346 A.2d 269 (1975).

⁴ 52 Pa. Code, § 3.6.

We do not agree with the ALJ's determination that there is substantial, competent evidence that an immediate danger exists with the construction of ME2 and ME2X. First, the hearing transcript is devoid of any expert witness testimony that, to a reasonable degree of scientific certainty, there is a credible and immediate harm with the construction of these lines. In fact, the Senator's own expert witness expressly denied having an opinion within a reasonable degree of scientific certainty regarding inadvertent returns or that any sinkholes would be created by the remaining construction in West Whiteland Township.⁵ This same witness also admitted that he did not review the geophysical data beyond Lisa Drive, nor did he profess to know the cause of the subsidence and sinkholes within the Township.⁶ Further, the Senator's witness confessed that he possessed a "somewhat primitive" understanding of horizontal directional drilling (Tr. at 265), and perhaps most tellingly, that he lacked personal knowledge of the proposed construction to be undertaken in the Township.⁷ What is more, this same witness conceded that it is possible to construct a pipeline in karst formations.⁸ As such, there is no credible *evidence of record* to indicate that a clear and present danger exists with respect to the construction activities on ME2 and ME2X in West Whiteland Township.

Second, the events in Texas occurring over two years ago are not linked to the events in Pennsylvania concerning the Mariner project and have no relevance to a finding of immediate harm in the matter before us. Therefore, we do not believe it is appropriate to rely on these events as a basis to conclude that the construction of ME2 and ME2X is an immediate threat in West Whiteland Township.

Third, we do not find that an *immediate* danger can, by definition, exist with respect to the ME2 and ME2X pipelines as Sunoco cannot currently engage in construction activities on these lines in West Whiteland Township until it receives certain drilling permits from DEP. Nevertheless, even if Sunoco does obtain the appropriate drilling permits from DEP in the future, the water quality-related issues upon which the ALJ relies appear to be within DEP's jurisdiction, not the Commission's. To the extent that the relevant water-quality issues may come within our jurisdiction to ensure that Sunoco provides safe and reasonable public utility service, we do not believe that the water quality issues alleged thus far in this proceeding rise to the level of an immediate danger.

In any event, Pennsylvanians should know that pipeline safety is a top priority of this Commission. To that end, we believe that the motion does not adequately account for the fact that the Commission has in-house pipeline safety experts who have been, and will continue to, actively monitor the construction of ME2 and ME2X.

The Pipeline Safety Division, within the Commission's Bureau of Investigation and Enforcement, works in coordination with the Pipeline and Hazardous Materials Safety Administration or PHMSA to enforce all applicable pipeline safety regulations, including those

⁵ Tr. at 289-290.

⁶ Tr. at 281-282.

⁷ Tr. at 285-287.

⁸ Tr. at 287,

^{9 66} Pa. C.S. § 1501.

applicable to the operation of ME1 and to the construction of ME2 and ME2X. In short, the personnel in our Pipeline Safety Division are the Commission's "boots on the ground" to administer pipeline safety regulations.

The Commission's Pipeline Safety Division played a key role in the investigation and resolution of a safety issue that arose with ME1 on Lisa Drive in West Whiteland Township, Chester County, PA. It was that safety issue which lead to a request from our Pipeline Safety Division on March 7, 2018 to temporarily stop service on ME1, pending an investigation. The Commission granted the request but reinstated service on ME1 on May 3, 2018, based primarily on our Pipeline Safety Division's agreement, following extensive testing and analysis, that it was safe to resume service. This proceeding shows that the Commission's own pipeline safety experts are actively and fully engaged with Sunoco's Mariner project and are ready, willing, and able to take the necessary steps to protect the public when it comes to safety.

Our Pipeline Safety Division also has played a key role in helping ensure the safe construction of ME2 and ME2X. As noted in the Commission's written testimony before the Pennsylvania Senate, ¹⁰ our Pipeline Safety Division devoted significant resources over the past several years to Sunoco and its Mariner Project. Our Pipeline Safety Division spent 76 inspection days during 2017 on the Mariner project. Our inspectors are continuing this rigorous inspection program throughout construction. The Commission also will continue to monitor and inspect the Mariner project after construction is completed, consistent with our duties to enforce the federal pipeline safety laws.

To date, the Commission's pipeline safety experts have not reported any safety issues that warrant halting the construction of ME2 and ME2X. However, as our experience with ME1 shows, we have full confidence that our Pipeline Safety Division will take the necessary steps to protect the public if a safety issue arises with the project. Nevertheless, out of an abundance of caution, we request that our Pipeline Safety Division review the transcript in this matter and take whatever action, if any, it deems warranted.

KENNARD

MISSIONER

For these reasons, we do not support the proposed motion.

JOHN F. COLEMAN, JR.

COMMISSIONER

Date: <u>June 14, 2018</u>

¹⁰ Specifically, the Commission's written testimony for a March 2018 hearing on pipeline safety conducted by two Pennsylvania Senate committees.