April 12, 2018

Rosemary Chiavetta, Secretary
Pennsylvania Public Utility Commission
Commonwealth Keystone Building
400 North Street, 2nd Floor North
P.O. Box 3265
Harrisburg, PA 17105-3265

Re: In re: Sunoco Pipeline, L.P. a/k/a Energy Transfer Partners
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-2018-300281

Dear Secretary Chiavetta:

Range Resources – Appalachia, LLC (Range) submits the following correspondence in support of the Pennsylvania Public Utility Commission’s (PUC) safe and prompt resolution of the above-referenced proceeding.

By Emergency Order dated March 7, 2018 the PUC halted the flow of natural gas liquids on the Mariner East 1 pipeline (ME1) owned and operated by Sunoco Pipeline L.P. a/k/a Energy Transfer Partners (Sunoco). The Emergency Order raised several concerns related to the continued safe operation of ME1 due to the development of sinkholes in certain areas near the pipeline; and further ordered Sunoco to conduct a series of tests to ensure its continued safe operation. Range, as a primary shipper on ME1, supports the PUC’s efforts to ensure that ME1 continues to operate safely. Fully respecting the Emergency Order and the need to proceed with the health and safety of Pennsylvanians as its priority, Range respectfully requests that the PUC expeditiously evaluate the testing results and consider alternatives that either immediately or within the very near term enable ME1 to resume under safe operating conditions.

By way of background, Range focuses its operations on the exploration and production of natural gas and natural gas liquids from the Marcellus shale formation in Pennsylvania. ME1 is a key downstream pipeline for Range. It transports a significant portion of Range’s natural gas liquids and therefore provides critical takeaway capacity for its Pennsylvania production.

In Pennsylvania, Range directly employs nearly 500 people in multiple offices across the Commonwealth, and indirectly supports thousands more family-sustaining jobs through local contractors and service companies. As of December 31, 2017, Range had invested over $10 billion in its Pennsylvania natural gas exploration and production operations and was producing approximately 2 billion cubic feet
equivalent of natural gas per day. Range currently operates more than 1,000 unconventional natural gas wells and has a leasehold position of approximately 875,000 net acres across Pennsylvania. In 2018, Range will be directing approximately 85% of its total corporate capital budget towards Marcellus shale exploration and production activities. Since 2006, Range has paid more than $2 billion in leasing and royalty payments across Pennsylvania, and has paid nearly $150 million in impact fees since 2011 when the fee was enacted, more than any other operator in Pennsylvania.

As mentioned earlier, Range, as part of its natural gas production, also produces natural gas liquids from certain portions of its Pennsylvania acreage. ME1 is a key downstream pipeline transporting a significant portion of the natural gas liquids produced by Range. Range has committed to transport 40,000 barrels per day of natural gas liquids on ME1. Since March 9 when service on ME1 was brought to a halt, Range has made use of every available alternative to keep its natural gas liquids—otherwise transported on ME1—flowing to end use markets; however, those alternatives are only interim solutions for Range.

Range recognizes that pipeline safety and the health and safety of the public are of paramount concern and Range does not seek to diminish those priorities. However, given that the anticipated duration of 10-14 days of the Study Period contemplated when the PUC issued its Emergency Order has elapsed, the continuing indefinite suspension of ME1 leaves Range with only interim solutions to transport its natural gas liquids and meet its commitments to end-users, royalty owners and shareholders. Range notes that continued shut-down of the ME1 will not only affect Range’s operations but will affect its royalty owners and natural gas and natural gas liquid consumers throughout Pennsylvania and the region. The prompt and safe resolution of the above-referenced proceeding, including the restoration of service on ME1, is of paramount importance to Range and to Pennsylvania.

Thank you for your attention to this important matter.

Respectfully submitted,

Chad Stephens
Senior Vice President Corporate Development

Curtis L. Tipton
Vice President Appalachia Division

cc: Certificate of Service
Chairman Gladys M. Brown
Vice Chairman Andrew G. Place
Commissioner Norman J. Kennard
Commissioner David W. Sweet
Commissioner John F. Coleman, Jr.