

17 North Second Street 12th Floor Harrisburg, PA 17101-1601 717-731-1970 Main 717-731-1985 Main Fax www.postschell.com

Anthony D. Kanagy

akanagy@postschell.com 717-612-6034 Direct 717-731-1985 Direct Fax File #: 172074

May 30, 2018

VIA ELECTRONIC FILING

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: Pennsylvania State Senator Andrew E. Dinniman v. Sunoco Pipeline L.P., Docket Nos. C-2018-3001451, P-2018-3001453

Dear Secretary Chiavetta:

Enclosed please find the Petition to Intervene And Request For Expedited Relief of Range Resources – Appalachia, LLC ("Range"). Range files the enclosed Petition to Intervene seeking full party status in the above-captioned proceedings. As Range is not yet a party in these proceeding, it has also filed and served, simultaneous herewith, an *Amicus Curiae* Brief In Opposition To The Interim Order Granting Emergency Relief And Request For Expedited Relief in these proceedings.

In addition, Range requests that the Pennsylvania Public Utility Commission ("Commission") immediately deny the Interim Emergency Order issued by the Administrative Law Judge Elizabeth Barnes on May 24, 2018, in order to eliminate the substantial harms to Range, its Pennsylvania-based royalty owners, and numerous other segments of the natural gas liquids supply chain, that are caused by the Interim Emergency Order. As noted in Range's Petition to Intervene, the Interim Emergency Order improperly overturns the Commission's prior order reinstating service over the Mariner East 1 pipeline.

Rosemary Chiavetta May 30, 2018 Page 2

Copies will be provided as indicated on the Certificate of Service.

Respectfully submitted,

Anthony D. Kanagy (In con

ADK/skr Enclosure

cc: Honorable Elizabeth Barnes

Certificate of Service

CERTIFICATE OF SERVICE

I hereby certify that a true and correct copy of the foregoing has been served upon the following persons, in the manner indicated, in accordance with the requirements of 52 Pa. Code § 1.54 (relating to service by a participant).

VIA ELECTRONIC AND FIRST CLASS MAIL

Mark Freed Joanna Waldron Curtin & Heefner LLP Doylestown Commerce Center 2005 S. Easton Road, Suite 100 Doylestown, PA 18901 Senator Andrew E. Dinniman

Thomas J. Sniskcak Kevin J. McKeon Whitney E. Snyder Hawke Mckeon and Sniscak LLP 100 N. Tenth Street Harrisburg, PA 17101 Sunoco Pipeline, L.P.

Diana A. Silva Robert D. Fox Neil S. Witkes Manko Gold Katcher & Fox LLP 401 City Ave Suite 901 Bala Cynwyd, PA 19004 Sunoco Pipeline, L.P. Kathryn Urbanowicz Joseph O. Minott Clean Air Council 134 South 19th Street, Suite 300 Philadelphia, PA 19103 Clean Air Council

Virginia Marcille Kerslake 103 Shoen Road Exton, PA 19341

VIA CERTIFIED MAIL

Maria Donatucci Representative House of Representatives P.O. Box 202185 Harrisburg, PA 17120-2185 Philadelphia House Delegation

Date: May 31, 2018

J. Kevin Ellies, VP of Government Affairs Antero Resources Corporation 535 White Oaks Boulevard Bridgeport, WV 26228

Anthony D. Kanagy

BEFORE THE PENNSYLVANIA PUBLIC UTILITY COMMISSION

Pennsylvania State Senator : Andrew E. Dinniman. :

,

Petitioner,

Docket No. C-2018-3001451

v. : Docket No. P-2018-3001453

Sunoco Pipeline L.P.,

Respondent

PETITION TO INTERVENE OF RANGE RESOURCES-APPALACHIA, LLC AND REQUEST FOR EXPEDITED REVIEW

Pursuant to Sections 5.71-5.76 of the Commission's regulations, 52 Pa. Code §§ 5.71-5.76, Range Resources-Appalachia, LLC ("Range") hereby files this Petition to Intervene in the above-captioned proceedings pending before the Pennsylvania Public Utility Commission ("PUC" or the "Commission"), which were brought by Senator Andrew E. Dinniman ("Complainant").

I. INTRODUCTION

On May 3, 2018, the Commission ended its comprehensive investigation of potential safety issues related to the operation of ME1 and issued a unanimous order lifting its prior suspension of operations on ME1. Petition of the Bureau of Investigation and Enforcement of the Pa. Pub. Util. Comm'n for the Issuance of an Ex Parte Emergency Order, Docket No. P-2018-3000281 (Order entered May 3, 2018) (the "Commission's Unanimous Order Reinstating ME1"). Twenty-one days later, however, by Interim Emergency Order dated May 24, 2018, the Administrative Law Judge Elizabeth Barnes (the "ALJ") reversed the Commission's Unanimous Order Reinstating ME1 by accepting hearsay over factual and expert analysis and relying upon

matters outside of the record. The Interim Emergency Order thereby halted the flow of natural gas liquids on ME1.

While a representative for Range testified at the hearing regarding the importance of safe and reliable transportation for its natural gas liquids and the implications of an ME1 shut down, Range had not yet formally intervened in the above-captioned proceedings. However, given the severe detrimental effects of the Interim Emergency Order on Range, its royalty owners, its employees, and other segments of the natural gas liquids supply chain, Range now formally seeks to intervene in these proceedings. Range is simultaneously filing an *Amicus Curiae* Brief in Opposition to the Interim Order Granting Emergency Relief. Range has filed this brief as *Amicus Curiae* because Range has not yet been granted full party status in the above-captioned proceedings.

In support of this petition, Range states the following:

II. RANGE IN PENNSYLVANIA

- 1. Range is a Delaware Limited Liability Company and is registered to do business in Pennsylvania, where it focuses on the exploration and production of natural gas and natural gas liquids from the Marcellus shale formation.
- 2. Range directly employs more than 500 people in multiple offices across the Commonwealth, and indirectly supports thousands more family-sustaining Pennsylvania jobs through local contractors and service companies.
- 3. As of December 31, 2018, Range has invested approximately \$7 billion in its Pennsylvania natural gas exploration and production operations and is producing approximately 2 billion cubic feet equivalent of natural gas per day. Range 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 capital budget towards Marcellus shale exploration and production activities.

4. 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.

III. <u>BACKGROUND</u>

- 5. On March 7, 2018, the Commission's Bureau of Investigation and Enforcement ("I&E") filed a Petition for Issuance of an *Ex Parte* Emergency Order that asserted the area proximate to ME1 in West Whiteland Township had developed soil subsidence issues and requested the Commission issue an emergency order immediately suspending the transportation services on ME1. Subsequently, on March 7, 2018, Commission Chairman Gladys M. Brown granted the Petition, and issued an *Ex Parte* Emergency Order ("*March Emergency Order*"), which was ratified at the March 15, 2018, public meeting.
- 6. Under the terms of the *March Emergency Order*, on April 27, 2018, SPLP filed a Petition for Lift of *Ex Parte* Emergency Order and Request for Expedited Treatment. Also, on April 27, 2018, I&E filed a Statement of the Bureau of Investigation and Enforcement Concurring with the Request of Sunoco Pipeline L.P. A/K/A Energy Transfer Partners for Reinstatement of Transportation Service on its Mariner East 1 Pipeline ("I&E Statement"). Therein, I&E opined that its concerns were addressed and, given the corrective actions taken and planned, that it is satisfied that the integrity of the ME1 pipeline has not been compromised by the subsidence events identified in its prior Petition. I&E Statement, at pp. 9-10. I&E specifically stated that:

This <u>comprehensive</u> investigation, culminating in the study performed by ARM, was intended to answer the uncertainties that led I&E to file its Petition seeking to stop the flow of product on

ME1 until I&E was satisfied that the integrity of that active pipeline had not been compromised by the recent subsidence events. Having considered the corrective action taken by SPLP, as well as the corrective action planned to be taken, I&E avers that those concerns have been adequately addressed.

I&E Statement, at p. 10 (emphasis added).

- 7. Relying upon I&E's review of ME1, on May 3, 2018, all five Commissioners approved an Order lifting the suspension of operations on ME1. Petition of the Bureau of Investigation and Enforcement of the Pa. Pub. Util. Comm'n for the Issuance of an Ex Parte Emergency Order, Docket No. P-2018-3000281 (Order entered May 3, 2018) (the "Commission's Unanimous Order Reinstating ME1"). In addition, the Commission established "forward-looking" reporting requirements to provide for a complete review of the issues surrounding public safety raised by the construction activities near ME1. Commission's Unanimous Order Reinstating ME1, p. 9. Importantly, the Commission approved I&E's assessment that SPLP had addressed the issues raised by the March Emergency Order and permitted SPLP to reinstate utility transportation of natural gas liquids over ME1, subject to certain enumerated conditions. Commission's Unanimous Order Reinstating ME1, Ordering Paragraphs 1-6.
- 8. Concurrent with the Commission's review and resolution of the *March Emergency Order*, Senator Andrew E. Dinniman filed the above-captioned Formal Complaint an accompanying Petition for Interim Emergency Relief regarding the continued construction of the Mariner East 2 pipeline ("ME2") on April 25, 2018. On May 1, 2018, Pennsylvania State Senator Andrew E. Dinniman ("Petitioner") filed an Amended Petition for Interim Emergency Relief and Amended Complaint at the consolidated Docket Nos. C-2018-3001451 and P-2018-3001453. Therein, Petitioner sought and Emergency Order that *inter alia* prohibit the operation

of ME1, and the construction of the Mariner East 2 pipeline ("ME2") and Mariner East 2X pipeline ("ME2X"), "until such time as Sunoco fully assesses, and the Commission approves, the condition, adequacy, efficiency, safety and reasonableness of ME1..."

- 9. Two days of hearings regarding the assertions and allegations in the Petitioner's filings were held by the ALJ on May 7 and May 10. Despite the Commission's prior findings in the *Commission's Unanimous Order Reinstating ME1* and testimony by SPLP witnesses and industry experts regarding the safety of continued ME1 operations and the testimony of a Range representative regarding the reinstatement of service over ME1, the ALJ issued an improper Interim Emergency Order that re-suspended ME1 operations that among other issues relies upon extra-judicial information and hearsay over fact and further ignores expert analysis. Pursuant to Section 3.10(b) of the Commission's regulations, the Interim Emergency Order also certified the question of the grant or denial of the relief sought to the Commission for review. 52 Pa. Code § 3.10(b).
- 10. As noted above, in response to the Interim Emergency Order, Range is simultaneously filing an *Amicus Curiae* Brief in Opposition to the Interim Order Granting Emergency Relief. Range has filed this brief as *amicus curiae* because Range has not yet been granted full party status in the above-captioned proceedings.

IV. RANGE'S INTEREST IN THIS PROCEEDING

- 11. Range produces natural gas liquids, such as ethane, propane and butane, from certain portions its Pennsylvania acreage.
- 12. 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.

- 13. Since service on ME1 has once again been brought to a halt, Range will once again be forced to use of every available alternative to keep its natural gas liquids—otherwise transported on ME1— flowing to end use markets; however, those alternatives are limited and only interim solutions.
 - The ME1 pipeline is of critical importance to Range. 14.

REQUEST FOR RELIEF \mathbf{V} .

- 15. Given Range's significant interest in the continued safe operation of ME1, Range seeks to intervene and to participate as a full party in this proceeding, and requests that it be placed on the Commission's official Service List for this docket.
- All pleadings, correspondence and other documents in this proceeding should be 16. directed to Range's attorneys in this matter:

Anthony D. Kanagy, Esquire (PA ID #85522) Garrett P. Lent, Esquire (PA ID #321566) Post & Schell, P.C. 17 North 2nd Street, 12th Floor Harrisburg, PA 17101-1601 Phone: (717) 731-1970

Fax: (717) 71-1985

E-mail: akanagy@postschell.com E-mail: glent@postschell.com

Erin McDowell, Esquire (PA ID #93684) Division Counsel – Appalachia Range Resources - Appalachia, LLC 3000 Town Center Boulevard Canonsburg, PA 15317

Phone: (724) 754-5352

E-mail: emcdowell@rangeresources.com

Eligibility to intervene in Commission proceedings is governed by the 17. Commission's regulations found at 52 Pa. Code § 5.72. The Commission's regulations provide that in order to have the ability to intervene, a party must have a "right or interest" sufficient to warrant intervention, which includes an interest that may be "directly affected" by the proceeding and "which is not being adequately represented by existing participants, and as to which the petitioner may be bound by the actions of the Commission in the proceeding" or where the right or interest is otherwise in the public interest. *Id.*

- 18. Range has such an interest. Range holds more than 50% of the firm capacity on the ME1 pipeline for the transportation of natural gas liquids produced from Range's operations in Pennsylvania.
- 19. Range's interest in this proceeding is substantial. The Commission's determinations in this proceeding will significantly impact the ability of Range to continue active operations in Pennsylvania.
- 20. Range's rights and obligations are not adequately represented by other parties in this proceeding.
- 21. Range intends to participate in any formal or informal proceedings which may result in this proceeding.
- 22. 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 through its participation in this proceeding.
- 23. However, the Commission has already completed a comprehensive investigation of its safety concerns surround ME1 operations and determined that, subject to certain conditions, its concerns were addressed. Despite these findings and conclusions, the Complainant sought and the Interim Emergency Order granted a subsequent shutdown of ME1 operations, improperly contradicting the Commission's prior order as more fully set forth in Range's *Amicus Curiae* Brief in Opposition to the Interim Order Granting Emergency Relief.

24. Range respectfully requests that the PUC immediately deny the Interim Emergency Order and enable the immediate resumption of operations and service of ME1.

VI. <u>CONCLUSION</u>

WHEREFORE, Range Resources – Appalachia LLC respectfully requests that the Pennsylvania Public Utility Commission:

- a. Grant Range status as a party in this proceeding;
- Immediately deny the Interim Emergency Order issued by the Administrative
 Law Judge Elizabeth Barnes, dated May 24, 2018;
- c. Take action to enable the immediate resumption of operations and service of ME1; and
- d. Take such other action as the Commission deems appropriate.

Erin McDowell (PA ID # 93684)

Division Counsel - Appalachia

Range Resources - Appalachia, LLC

3000 Town Center Boulevard

Canonsburg, Pennsylvania 15317

Phone: (725) 754-5352

E-mail: emcdowell@rangeresources.com

Date: May 31, 2017

Respectfully submitted,

Anthony D. Kanagy, Esquire (PA ID#85522)

Garrett P. Lent, Esquire (PA ID #321566)

Post & Schell, P.C.

17 North Second Street, 12th Floor

Harrisburg, PA 17101-1601

Phone: (717) 731-1970

Fax: (717) 731-1985

E-mail: akanagy@postschell.com

E-mail: glent@postschell.com

Counsel for Range Resources - Appalachia,

LLC

VERIFICATION

I, Erin McDowell, being Division Counsel for Range Resources – Appalachia LLC, hereby state that the information set forth in the foregoing Petition to Intervene is true and correct to the best of my knowledge, information and belief. While I have knowledge of the subject matter set forth in this document, the information is not entirely within my personal knowledge and the facts stated herein have been collected by consulting with various individuals and counsel.

I understand that the statements herein are made subject to the penalties of 18 Pa.C.S. § 4904 relating to unsworn falsification to authorities.

Date: $\frac{\sqrt{30}/\sqrt{8}}{\sqrt{18}}$

Erin McDowell

Division Counsel - Appalachia

Range Resources - Appalachia LLC