

**PENNSYLVANIA PUBLIC UTILITY COMMISSION
HARRISBURG, PENNSYLVANIA 17120**

**Rulemaking Regarding Depreciation
Reporting and Capital Planning for
Crude Oil, Gasoline, or Petroleum
Products Transportation Pipelines**

**Public Meeting of October 7, 2021
3010270-LAW
Docket No. L-2019-3010270**

STATEMENT OF CHAIRMAN GLADYS BROWN DUTRIEUILLE

Before the Commission for disposition is a Final Rulemaking Order on proposed amendments to our public utility reporting regulations at 52 Pa. Code §§ 73.1, 73.3, 73.5, and 73.7. At the outset of this docket the Commission proposed to require crude oil, gasoline, and petroleum products transportation pipeline public utilities to file depreciation reports, service life study reports, and capital investment plan reports.

Numerous parties filed comments in response to this proposed rulemaking. A number of pipeline operators question the value and legality of these three additional reporting requirements. Conversely, various individuals and municipalities filed comments supporting these additional reporting requirements noting their potential to better instill safe and reliable service through accountability and transparency.

Upon review and consideration of their respective costs and benefits I believe that the proposal to add depreciation and capital investment reporting are not necessary. Depreciation reports are beneficial to determine the validity and accuracy of base rates. However, pipeline utilities operate in a manner more akin to a ‘common carrier’ and are not directly analogous to fixed utilities with base rates. As such, this information is of minimal value. Second, the Commission already receives major construction and maintenance reports from pipeline utilities pursuant to our regulations at 52 Pa. Code § 59.38, thus minimalizing the benefits of the proposed capital investment reporting requirement.

However, I do believe that the proposal to require service life study reporting is in the interest of the public, and I contend this regulatory package should proceed with inclusion of this requirement. I submit that service life study reports can bear upon whether a pipeline can continue to provide safe, efficient, and adequate service. While service life may be extended indefinitely through proper adherence to a Pipeline and Hazardous Materials Safety Administration (PHMSA) integrity management plan, this does not mean that segments of pipelines or other pipeline facilities do not wear out or develop leaks. Public safety and transparency are of paramount importance, and I believe that periodic service life study reporting is step towards achieving these goals.

Several pipelines contend that a service life study reporting requirements is preempted by the PHMSA regulations. I disagree. I contend that such reporting is not inconsistent nor incompatible with Federal regulations but rather a complementary requirement of Pennsylvania necessarily promulgated in response to the burgeoning pipeline industry in the Commonwealth.

The information conveyed pursuant to this proposal will enhance the Commission's ability to appraise that status of pipelines thereby helping to ensure the prudent and safe operations of said pipelines.

For these reasons, I support the issuance of a final rulemaking adopting a service life study reporting requirement and removing the proposed depreciation and capital investment reporting requirements.

A handwritten signature in black ink that reads "Gladys Brown Dutrieuille". The signature is written in a cursive style with a horizontal line underneath it.

October 7, 2021
Date

Gladys Brown Dutrieuille, Chairman