

**BEFORE THE
PENNSYLVANIA PUBLIC UTILITY COMMISSION**

Pennsylvania Public Utility Commission	:	
Bureau of Investigation and Enforcement	:	
	:	
v.	:	M-2023-3019782
	:	
Mifflin Energy Corp.	:	

**COMMENTS
OF THE
PENNSYLVANIA GRADE CRUDE OIL COALITION
(in Regard to the Reply of the Bureau of Investigation and Enforcement)**

On September 21, 2023, the Commission entered an order published in the Pennsylvania Bulletin October 7, 2023, 53 Pa.B. 6346, seeking comments concerning the Joint Petition for Approval of Settlement with respect to an informal investigation conducted by the Commission’s Bureau of Investigation and Enforcement regarding the April 9, 2020 natural gas incident at 134 Water Dam Road (the “Incident”).

The Pennsylvania Grade Crude Oil Coalition (PGCC) is a nonprofit trade organization formed in 2013 that represents conventional oil and natural gas producers in Pennsylvania. PGCC’s members consist entirely of small businesses, many of which are single-employee entities or individual operators. PGCC’s mission is to advance local economies and engage in regulatory processes that affect conventional oil and natural gas development. PGCC’s members reside and operate throughout western Pennsylvania. PGCC members produce natural gas and many of PGCC’s members operate oil and gas leases with production line farm tap provisions similar to the farm tap provision contained in the Shoup lease relative to the Incident.

PGCC monitored the comments submitted during the above-mentioned comment period. PGCC agreed with the substance of the comments submitted by the Pennsylvania Independent Oil & Gas Association (PIOGA); consequently, it was unnecessary for PGCC to submit additional comments.

However, on November 3, 2023, the PUC’s Bureau of Investigation and Enforcement (hereinafter “I&E”) filed a document entitled REPLIES TO COMMENTS IN SUPPORT OF THE JOINT PETITION FOR APPROVAL OF SETTLEMENT. In the first paragraph of those reply comments, I&E makes the following statement: “The facilities involved in the Incident had been owned and operated by Mifflin Energy **at the time of the Incident...**” (Emphasis added)

PGCC files this comment for the sole purpose of responding to that first paragraph of the I&E Reply. Specifically, PGCC observes that I&E’s statement attributing ownership of the facilities to Mifflin Energy conflicts with I&E’s own description of its investigation. I&E’s request to PHMSA (Attachment 1 to the

Settlement petition at Page 2) describes the ownership and operation of the facilities involved in the Incident prior to, and at the time of, the Incident as follows:

A gas well is located on the property of House A. This gas well feeds a **non-jurisdictional production pipeline** that is the source of natural gas provided to House A and a neighboring property, referred to as “House B”. A leak on the **consumer-owned line** to House B is suspected to be the cause of the explosion that demolished House A.

For the **consumer-owned lines that take natural gas to House A and House B**, there is one tap off the production line.

(Emphasis added).

The statement made by I&E, in its Reply, assumes that by some unexplained mechanism the ownership and operation of the line involved in the incident moved from what I&E previously described as “consumer-owned” to the ownership and operation of the producer Mifflin Energy. Embedded in I&E’s statement of ownership, in its Reply, is the failure to acknowledge not only the description that I&E previously assigned to the facts of the Incident, but also the underlying facts elsewhere in the record. These underlying facts include that:

- 1) It was the consumer who moved the location of his regulator and Mifflin Energy’s meter on his consumer-owned pipe; and
- 2) The terms of ownership of the pipe involved in the Incident are set forth in the Shoup Lease.

The proper understanding of the facilities in question—including their use, ownership, control, the contractual provisions by which they came to be in existence, and their modification—is not an irrelevant ancillary matter. That understanding is the key to the central matter of jurisdiction and the responsibilities which result from that jurisdictional decision.

Some PGCC members have been in the business of producing natural gas in Pennsylvania in excess of one hundred years. For all of that time the arrangement of farm taps has been common practice and an integral part of the process of producing natural gas. Among the membership of PGCC there are thousands of farm taps that are configured similarly to the configuration of this Incident (with the Lessor/consumer owning, controlling and maintaining the regulator and piping that supply the dwelling of that Lessor/consumer) and that arise under lease language highly similar to the provisions contained in the Shoup lease.

The erroneous characterization made by I&E in its Reply will have serious and significant impact upon PGCC members if that erroneous characterization is relied upon.

Respectfully submitted



David Clark,
PGCC President