

"Regulations caught up with the industry, and the industry has been very good, I think, in complying."

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STATE

**PIPE BY THE MILE:** Here's a look at natural-gas pipelines and proposed projects by the numbers for Pennsylvania ▶ **8,700:** 2008 estimate of total gas-pipeline miles ▶ **2,535:** Miles of unconventional gathering lines ▶ **807:** Miles of unconventional transmission pipe ▶ **200:** Miles for the delayed \$1 billion Commonwealth Pipeline ▶ **270:** Total miles for six top pipeline projects tracked by DEP ▶ **40:** Miles in the Tennessee Gas Pipeline Northeast Upgrade ▶ **30:** Mileage of the UGI pipeline in Luzerne County ▶ **33:** Texas Eastern & Appalachia Market (TEAM 2014) expansion miles ▶ **547:** Acres affected by TEAM 2014 ▶ **22:** TEAM 2014 miles in Central Pennsylvania ▶ **22:** Miles in the Eastern Shore Natural Gas Mainline Extension Interconnect ▶ **8:** Eastern Shore miles in Lancaster and Chester counties ▶ **400:** Miles of gathering pipe owned by Access Midstream Partners ▶ **3,421:** Unconventional gas and oil wells drilled since 2011 ▶ **5:** Wells drilled per day during past two years.

## NEW NATURAL-GAS PIPELINES IN STORE FOR PENNSYLVANIA

BY JIM T. RYAN | [www.centralpennbusiness.com](http://www.centralpennbusiness.com)

Natural gas doesn't get from wells to end users without thousands of miles of pipes. Pennsylvania, with its proximity to major cities and abundant supply of natural gas in the Marcellus Shale, could see an increasing number of pipeline projects in coming years even if some are currently on hold, according to companies, government and trade groups.

Pennsylvania has about 8,700 miles of natural-gas pipelines, according to 2008 estimates from the U.S. Energy Information Administration. That's increased during the past four years, particularly as Marcellus Shale drilling increased. Yet how much that number has increased is difficult to say, because no single agency tracks every mile of pipe.

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## PIPELINES

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The state is tracking the amount of gathering pipelines that bring gas from the wellheads to transmission lines or processing facilities. Pipeline operators are required to register with the state's Public Utility Commission.

As of October, there were 2,535 miles of unconventional pipes, most being gathering lines, but 807 miles being transmission lines, according to a December report from Patrick Henderson, the governor's energy executive. He was responsible for reviewing and making recommendations on the state's pipeline infrastructure.

While gas demand for home use, electricity production, transportation and manufacturing could grow, it doesn't necessarily dictate how much pipe is put into the ground. New markets are a much more potent driver.

Gas producers, the companies managing the land deals and drilling operations, are supporting more investment in pipelines than in the past, said Catherine J. Landry, communications director for the Washington, D.C.-based Interstate Natural Gas Association of America.

"(The companies are) really dictating pipeline construction because they say, 'We need a line, so let's go ahead and build it,'" Landry said.

In Pennsylvania, that means building pipelines to reach new markets in the eastern metro areas. In the past, gas was brought up pipelines from the Gulf states. But the proximity of Marcellus shale gas to Eastern markets presents an opportunity to reduce the transportation costs by pumping it shorter

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**Catherine J. Landry,  
Interstate Natural Gas  
Association of America**

distances, Landry said.

Reaching such markets was the goal of the \$1 billion Commonwealth Pipeline, a 200-mile joint venture between Wyoming-based energy marketer UGI Energy Services Inc. and Missouri-based pipe company Inergy Midstream.

The pipe project announced in March was supposed to bring natural gas down from Lycoming County through Dauphin and Lancaster counties before sending it to the Baltimore, Philadelphia and Washington, D.C., areas.

Construction was planned to begin in 2012, but it's on hold, according to the company.

"The parties are continuing to market the Commonwealth project and evaluate the short-haul Marcellus takeaway capacity that the Commonwealth Inergy Midstream said in a statement to the Business Journal. "The project timeline has slipped, though, and we expect the field work to remain suspended until the commercial demand for the short-haul project catches up."

Interstate pipelines are regulated by

### In the pipeline

Common pipeline and natural-gas terms:

**GATHERING LINES:** Pipes that aggregate natural gas from multiple wells and connect to long-distance transmission lines, processing facilities or storage facilities.

**TRANSMISSION LINES:** Larger pipes that transport natural gas long distances from region to region or state to state, bringing gas from its production fields to markets such as major metropolitan areas.

**DISTRIBUTION LINES:** Smaller pipes that transport natural gas from regional or interstate transmission lines, or from a utility, to homes, businesses and factories to be consumed for heating, transportation, manufacturing or other uses.

**PROCESSING FACILITY:** Any facility that extracts components of natural gas that are usable in other applications and manufacturing processes.

**WELLHEAD:** Apparatus at the top of a drilled well that controls the flow of natural gas.

**CHRISTMAS TREE:** Arrangement of pipes and valves at the wellhead to control the flow to prevent blowouts.

**COMPRESSOR STATION:** Stations located along natural-gas pipelines that ensure an even flow.

the Federal Energy Regulatory Commission, or FERC, which has dozens of projects with implications for Pennsylvania on its docket, according to its website.

There are six major midstream pipeline projects that the state Department of Environmental Protection is aware of that could begin in the near future, spokesman Kevin Sunday said. The department reviews pipeline plans for their impact on the state's ecosystems and communities.

The six projects contain more than 270 miles of pipe, Sunday said. Four of the projects have not yet applied for DEP permitting. The 40-mile Tennessee Gas Pipeline Northeast Upgrade in Bedford, Susquehanna and Wayne counties has permits. A 30-mile UGI pipeline in Luzerne County has applied for permitting.

One of the larger interstate projects

is a capacity expansion known as the Texas Eastern & Appalachia Market expansion, or TEAM 2014, and will include pipeline construction in Central Pennsylvania.

The project is in prefinal phases at FERC and will add more than 33 miles of pipe serving gas-to-distribution companies that sell it to businesses, homes and other customers, said Marylee Hanley, director of stakeholder outreach for Houston-based Spectra Energy.

"We're in the beginning of planning phases," she said.

Because Spectra's pipeline, the Texas Eastern Transmission Pipeline, is an open access line, the company has to expand it any time distribution companies require capacity to serve customers, she said.

Perry counties, according to a filing with FERC. That includes eight miles in Perry County, seven miles in Dauphin County and six miles in Lebanon County.

The expansion could be finished and in service by November 2014, Hanley said.

A related project is Eastern Shore Natural Gas's Mainline Extension Interconnect project that connects to the Texas Eastern pipe and includes 22 miles in Greene, Fayette, Franklin and Adams counties. Eight miles of pipe could be added in Lancaster and Chester counties, according to FERC filings.

Other companies are building or expanding pipelines in Pennsylvania, lending evidence for more future expansion. In fact, that's the plan, especially if companies continue drilling gas wells.

"We have active plans to continue building pipeline," said Patrick Myers, eastern division area manager for Oklahoma-based Access Midstream Partners.

The company has more than 400 miles of gathering pipe in the state, connecting 500 natural-gas wells to transmission lines, he said.

There have been 5761 oil and natural gas wells drilled since the start of 2011, according to DEP reports. Of those, 3,421 are unconventional wells regularly used to extract gas, or about five drilled per day over two years.

These wells need pipelines. In turn, the pipelines help build the natural-gas industry.

"You're not going to produce unless you can move it to markets," said Landry of the pipeline association.

"That's why the pipelines are so important to connect production to more markets." ■