March 6, 2015

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Sunoco Pipeline L.P. Withdraws Request for Exemption from Local Zoning for Mariner East Pipeline Project

Harrisburg, PA – On March 5, 2015, Sunoco Pipeline L.P. (“Sunoco”) withdrew its request for an exemption from the Pennsylvania Municipalities Planning Code for the construction of a series of industrial valve control and pumping stations necessary to advance its Mariner East project. Sunoco will still be pursuing construction of Mariner East 1, but is no longer pursuing its claim that it is a “public utility corporation,” and, therefore entitled to exemption from local zoning and eminent domain authority.

In May of 2014, Sunoco Pipeline L.P. had submitted a series of petitions before the Pennsylvania Public Utility Commission (“PUC”) seeking a finding that certain structures related to its Mariner East 1 pipeline project would be exempt from all local zoning ordinances pursuant to the Municipal Planning Code. In order to be exempt from local zoning Sunoco attempted to demonstrate its status as a “public utility corporation.” The Delaware Riverkeeper Network, Clean Air Council, and Mountain Watershed Association all opposed Sunoco’s status as a “public utility corporation” before the PUC, and initially secured a dismissal of Sunoco’s petitions. This decision was later overturned by the PUC’s Commissioners and the case proceeded with a tentative hearing date scheduled for May.

On March 4, Sunoco filed a Petition for leave to Withdraw Pleadings which requests the PUC to withdraw all the remaining petitions in the dockets before the PUC. As such, if the PUC grants Sunoco’s request, the case before the PUC would be considered moot and Sunoco would not be exempt from local zoning for its projects.

“The pipeline battles being fought today across Pennsylvania and across the region are setting important precedent and determining the fate of many of our communities. While Sunoco may have taken away our opportunity to advance good precedent in this
"This motion from Sunoco shows that they cannot run roughshod over communities that are in the way of the proposed Mariner East pipelines," said Joseph Otis Minott, Esq., Executive Director of the Clean Air Council. "This is a great win for communities that have been fighting from day one to prove that a for-profit corporation with contracts to sell natural gas liquids overseas should not be qualified as a public utility corporation here in Pennsylvania, with exemptions from local zoning laws or the right of eminent domain."

"When faced with a pipeline project on their land, good, honest, hard working people are thrown into a very confusing educational process in order to learn how to protect their rights and homes; but they honestly try, and they learn," said Lynda Farrell, Executive Director of Pipeline Safety Coalition. "Governmental and Industry semantics that obviate truth can no longer be tolerated nor allowed to be used as a mechanism for quick easement settlements based on fear of eminent domain. Sunoco’s filing today is a good first step for the public, should eliminate the fear of eminent domain and should assure protection of local zoning rights in the Commonwealth."

"Today’s move will settle a lot of confusion for landowners who have received mixed messages about Sunoco’s ability to exercise the power of eminent domain. Sunoco’s withdrawal of its request for public utility corporation status makes clear that they never had that ability and will not have it in the future. If landowners are told otherwise by the company, they should demand written proof," said Karen Feridun, Founder, Berks Gas Truth.

“To the extent the PUC grants Sunoco’s withdraw of its petitions, it will prevent Sunoco from being considered a ‘public utility corporation’ before the PUC, and therefore exempt from local zoning. This is a victory for the watershed as the concrete interests that local municipalities have in the local zoning of gas drilling infrastructure is safely preserved from being whittled away by Sunoco,” said Aaron Stemplewicz, staff attorney with the
"If Sunoco Pipeline’s request to withdraw its petitions is granted it will represent a victory for local municipalities and residents, who have been able to maintain a voice in the siting of natural gas infrastructure in their communities," said Augusta Wilson, staff attorney at the Clean Air Council. "This proceeding highlighted several important issues relating to what the PUC should consider when it determines whether a company should be granted public utility corporation status in Pennsylvania. These issues will continue to be crucial for Pennsylvania communities, and the Council will consider the options available to it to continue to help these communities achieve their goals with respect to protecting their local zoning interests," added Wilson.

In matters before the PUC, a company such as Sunoco is required to obtain the designation of “public utility corporation” to get the power of eminent domain and the power to evade local zoning review and compliance. According to the legal filing, Sunoco has secured necessary local approvals to advance its Mariner East Project.

Sunoco is pursuing construction of a pipeline project called Mariner East, which involves a combination of the construction of new pipeline facilities and the use of existing pipeline facilities that will transport natural gas liquids (NGLs) resulting from hydraulic fracturing activities from western Pennsylvania to the Marcus Hook Refinery Complex, from which much of the NGLs will be exported.

The Delaware Riverkeeper Network and Clean Air Council have been challenging Sunoco’s request that it be deemed a “public utility corporation,” and, therefore be exempt from the Pennsylvania Municipalities Planning Code. While Sunoco has stated that there are no major markets in the Northeast United States, it has not publically identified where the NGLs will be shipped. Sunoco’s Mariner East project requires construction in communities in Delaware, Chester, and Berks counties, Pennsylvania.

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