

Mariner East pipeline developer pleads no contest in Pennsylvania pollution cases

The operator promised to remediate contamination in a settlement of separate criminal cases brought by the Pa. attorney general.

By MICHAEL RUBINKAM via **AP**

HARRISBURG, Pennsylvania -- The developer of a major pipeline system that connects the Marcellus Shale gas field in western Pennsylvania to an export terminal near Philadelphia pleaded no contest Friday to criminal charges that it systematically polluted waterways and residential water wells across hundreds of miles.

Dallas-based Energy Transfer Operating agreed to independent testing of homeowners' water and promised to remediate contamination in a settlement of two separate criminal cases brought by the Pennsylvania attorney general. Under a plea deal, the company will also pay \$10 million to restore watersheds and streams along the route of its Mariner East pipeline network.

A judge heard and approved the plea at a hearing in Harrisburg on Friday.

"We are holding Energy Transfer accountable for their crimes against our natural resources," Attorney General Josh Shapiro said at a news conference after the hearing.

The company's Mariner East 1, Mariner East 2 and Mariner East 2X pipelines are designed to carry propane, ethane and butane from the Marcellus and Utica Shale gas fields to a refinery processing center and export terminal in Marcus Hook, a suburb of Philadelphia. Construction wrapped in February.



In this Tuesday, Oct. 22, 2019 photo, pipes lay along a construction site on the Mariner East pipeline in a residential neighborhood in Exton, Pa.

AP Photo/Matt Rourke

Mariner East has been one of the most penalized projects in state history. The owner has racked up tens of millions of dollars in civil penalties and state regulators repeatedly have halted construction over environmental contamination.

The attorney general stepped in last October, charging Energy Transfer with illegally releasing industrial waste at 22 sites in 11 counties and willfully failing to report spills to state environmental regulators. The company fouled the drinking water of at least 150 families statewide, prosecutors have said.

Under the plea agreement, residents who live near the pipeline and have private water are entitled to request independent testing. More than 800 residents along the pipelines' route have been notified of the availability of the testing, and residents have until Aug. 19 to sign up.

Though Energy Transfer's state permits already require it to fix the damage its pipeline construction caused to waterways and residents' water supplies, prosecutors said the plea deal goes a step further by requiring the company to submit to independent water testing by geologists picked by the attorney general's office. Previously, Energy Transfer itself had been testing residents' water in response to complaints.

The company must abide by the independent experts' recommendations on how to restore the fouled water, which could include treatment systems or new water wells.

Another part of the plea deal requires Energy Transfer to pay \$10 million to address contamination of groundwater and streams.

The money is a drop in the bucket to a pipeline company with surging profits. Energy Transfer reported this week that its net income jumped 90% in the second quarter, to \$1.33 billion, as the company's pipelines carried record volumes of natural gas liquids.

Shapiro, a Democrat running for governor, has long complained that Pennsylvania's criminal environmental laws are too weak. His office said the statutory maximum for the crimes for which Energy Transfer was charged amounted to only \$1.45 million, making a plea deal more beneficial to victims than taking the case to trial.

"This conviction locks in a landmark agreement when the commonwealth had maximum leverage," Shapiro said Friday. "Even if we had won every single count at trial, Energy Transfer would've walked away paying just pocket change for their crimes. Nothing more would have come to make our water cleaner and safer, and residents would've been screwed."

An email was sent to Energy Transfer seeking comment on the plea deal.

The Pennsylvania Energy Infrastructure Alliance, a trade group, said that most of what it called Mariner East's "construction woes" had already been addressed by state environmental regulators.

"Hopefully this brings closure to the issue, because it's time to put the past to rest," said the group, adding that Mariner East is operating safely.

Residents who live near the pipeline and some state lawmakers have said Mariner East should be shut down entirely in light of the criminal charges, but the administration of outgoing Democratic Gov. Tom Wolf has long ignored such calls to pull the plug.

Friday's plea deal also resolves a separate criminal case involving the Revolution pipeline, a 42-mile pipeline near Pittsburgh that runs from Butler County to a natural gas processing plant in Washington County. In that case, prosecutors alleged Energy Transfer's negligence led to a 2018 gas explosion and fire that destroyed a home, a barn and several cars, collapsed six high-voltage transmission towers and prompted an evacuation.

Energy Transfer pleaded no contest to 14 criminal counts in the Mariner East case and to nine criminal counts in the Revolution case.