

CRUDE MOVE

Crude Oil Movement in the Great Lakes-St. Lawrence River Region

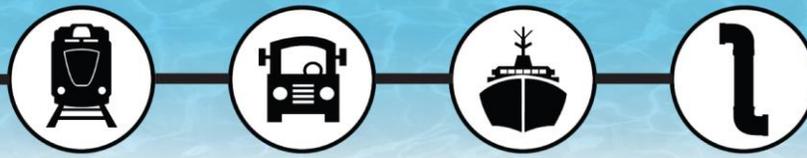
Oil Pipeline Siting in the Great Lakes Region

You may not think of the Great Lakes region playing a significant role in domestic oil production, but the region is a major destination for crude oil. A network of pipelines and railways brings domestic oil from around North America to refineries in the region. Recent changes in oil production have strained this network. An increase in oil production and/or demand is usually absorbed first by rail lines, but it eventually results in new or expanded pipelines. Almost 95% of oil transported in the Great Lakes region does so through pipeline. New pipelines are a major infrastructure investment that requires significant planning. This factsheet outlines one portion of the pipeline planning process: local siting. Below you will find an outline of siting in both countries, with a brief explanation of the role each state and province plays.



United States

The Pipeline and Hazardous Materials Safety Administration (PHMSA) regulates the safe operation of oil pipelines in the United States; but federal law and regulations leave siting of interstate oil pipelines to the states. For example, to build a pipeline between Minnesota and Wisconsin, siting authority from both states is needed. Complicating the routing of interstate pipelines is the fact that each state has a different regulatory framework for approving pipeline routes. There are two general approaches for pipeline siting for Great Lakes states: eminent domain laws or standalone pipeline siting laws. The following is a brief breakdown of each state's regulatory framework, with a link to where more information can be found.



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Illinois

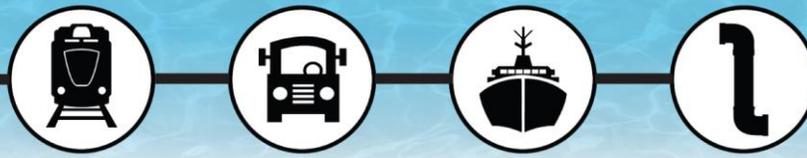
- [Illinois Commerce Commission](#)
- To operate as a common carrier, a pipeline operator must obtain a certificate in good standing.
- The Illinois Commerce Commission shall grant a certificate if it finds:
 - The applicant can provide the service in compliance with Illinois' Public Utilities Act; and,
 - Public convenience and necessity requires issuance of the certificate. The Commission should consider:
 - Environmental impact
 - Natural resources
 - Economy, infrastructure, and public safety
 - State energy infrastructure needs
 - Traffic safety, road construction, and other transportation issues
 - Property values as presented by property owners who will be affected by the pipeline

Indiana

- [Indiana Utility Regulatory Commission](#)
- The pipeline company shall provide the Indiana Utility Regulatory Commission with a list of landowners that will be affected by the proposed construction of a pipeline or a segment of a pipeline in Indiana. The Indiana Utility Regulatory Commission then provides guidelines on easement purchasing and construction to each affected landowner.

Michigan

- [Michigan Public Service Commission](#)
- Before the operation of a pipeline within Michigan, they shall file in the office of the Michigan Public Service Commission:
 - An explicit authorized acceptance of the Michigan's oil transportation laws and regulations
 - A plat showing in detail the points within the state between which, and the route along which the pipeline is proposed to be constructed, including:
 - Description of the project – map, route, cross sections
 - Environmental Assessment
 - How they are working with landowners



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Minnesota

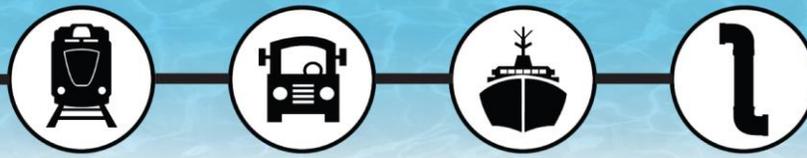
- [Minnesota Public Utilities Commission](#)
- Before the construction of a pipeline, the operator must receive a routing permit from the Minnesota Public Utilities Commission. The commission may establish citizen advisory committees to aid and advise the commission.
 - The Commission must consider the impacts of the proposed pipeline on:
 - Natural environment and resources
 - Economics
 - Human settlement
 - Existing rights-of-way
 - Lands of historical, archaeological, and cultural significance
 - Pipeline cost and accessibility
 - Regulations and land use laws
 - Cumulative impact

New York

- [New York Public Service Commission](#)
- Before commencing the construction of pipeline in any New York county, the operator shall:
 - Upon petition of an impacted landowner, if a court determines that sufficient cause exists for altering the route of a proposed pipeline, it shall appoint three disinterested persons as commissioners to examine the route location and potential relocations to the route. Construction shall not begin until all applications for a route relocation have been finally determined.

Ohio

- [Public Utilities Commission of Ohio](#)
- Siting jurisdiction in Ohio is left to local governments under their zoning authority. General construction and environmental permits are obtained from the Ohio Environmental Protection Agency.



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Pennsylvania

- [Pennsylvania Public Utility Commission](#)
- Approval for siting in Pennsylvania is not required unless eminent domain power is needed.
 - To gain eminent domain power, pipeline company must go to the Pennsylvania Public Utility Commission for a certificate of public convenience to become a Public Utility.
 - A certificate of public convenience shall be granted only if the commission finds that the granting of such certificate is necessary or proper for the service, accommodation, convenience, or safety of the public.

Wisconsin

- [Wisconsin Public Service Commission](#)
- Any business entity that wants to transmit oil or related products in pipelines in Wisconsin, are subject to the approval of the Wisconsin Public Service Commission upon a finding by it that acquiring the proposed real estate interests is in the public interest.

Canada

The [National Energy Board](#) (NEB) regulates interprovincial pipeline siting in Canada. No company can construct an interprovincial pipeline unless the NEB has issued a certificate of operation. Notice must be given to the NEB and any affected landowners of the proposed pipeline location. The NEB may require hearings before approving the pipeline. The NEB must address all written comments and issues raised at public hearings before issuing the certificate. Proposals may be altered to address issues raised by the NEB or the public. The provinces play a limited role in this process. While consultation between the NEB and the provinces is not required, the provinces often participate by producing local reviews and environmental reports. Provinces may be involved in additional, minor ways, but that is beyond the scope of this factsheet.