

COMMONWEALTH OF PENNSYLVANIA PENNSYLVANIA PUBLIC UTILITY COMMISSION P.O. BOX 3265, HARRISBURG, PA 17105-3265

IN REPLY PLEASE REFER TO OUR FILE

February 22, 2012

M-2012-2288561

To: All Interested Parties

Re: Implementation of Unconventional Gas Well Impact Fee Act, Act 13 of 2012; Docket No. M-2012-2288561

On February 14, 2012, Governor Corbett signed House Bill 1950 into law as Act 13 of 2012 or the Unconventional Gas Well Impact Fee Act (Act 13), which amends Title 58 (Oil and Gas) of the Pennsylvania Consolidated Statutes, providing for an impact fee, Oil and Gas Act amendments and standards for local ordinances. The Act allows counties to pass ordinances to impose an impact fee on unconventional gas well producers and alternatively allows municipalities to adopt resolutions compelling the imposition of fees related to these wells.

The Act specifically requires the Pennsylvania Public Utility Commission (Commission) to administer the collection and disbursement of the impact fee. Also, if requested by a municipality, the Commission is required by Section 3305(a) of the Act to review a proposed local ordinance and issue an advisory opinion on whether the ordinance violates the Municipalities Planning Code or Act 13. In addition, the Commission is required by Section 3305(b) of the Act to issue an order when a request for review is filed by an owner or operator of an oil or gas operation or a person residing within the geographic boundaries of a local government who is aggrieved by the enactment or enforcement of a local ordinance.

The Commission has established Docket Number M-2012-2288561 for all Secretarial Letters and Implementation Orders regarding Act 13. Counties and municipalities should also use Docket Number M-2012-2288561 to file notices of election to implement an impact fee and/or municipal resolutions to compel the imposition of an impact fee pursuant to Section 2302 of the Act. Further, producers should use this Docket Number to file reports pursuant to Section 2312 of the Act.

Requests from municipalities for advisory opinions regarding proposed local ordinances pursuant to Section 3305(a) of the Act should be filed with no docket number. The Commission will assign a separate docket number for each such request. Along with these requests, municipalities should provide a copy of the proposed ordinance, as well as information and an explanation of their view as to whether it violates the Municipalities Planning Code or Act 13.

On and after April 16, 2012, the Commission will accept requests for review filed by producers or residents regarding local ordinances and assign a separate docket number for each such request. Further instructions governing such filings will be provided in subsequent Commission communications.

All documents must be filed with the Commission's Secretary at the following address:

Secretary PA Public Utility Commission P.O. Box 3265 Harrisburg, PA 17105

Alternatively, documents may be eFiled using the Commission's eFiling system, which is available by going to the home page of the Commission's website at http://www.puc.state.pa.us and selecting eFiling from the choices on the left side. Any questions about filing documents should be directed to the Secretary at 717-772-7777.

In the coming weeks, the Commission plans to issue a Tentative Implementation Order that will address various issues and proposed procedures related to the Commission's duties under this Act and provide a forum for the public to comment on the implementation plans before they become final. The guidance provided by the Tentative Implementation Order will include additional information that must be filed with requests for advisory opinions and reviews of local ordinances.

To ensure receipt of the Tentative Implementation Order, please send an email to the Commission's resource account, ra-Act13@pa.gov, and provide a name and mailing address for the Commission to include on the official service list for Docket Number M-2012-2288561. Also, upon request by email sent to ra-Act13@pa.gov, the Commission will add interested parties to the electronic distribution list to receive information regarding future developments at this docket. In addition, the Commission will be providing important information regarding Act 13 on our website, which may be accessed by going to http://www.puc.state.pa.us and choosing Natural Gas from the top of the page and then selecting Act 13 (Impact Fee) from the choices on the left side.

If you have any questions regarding this Secretarial Letter, see the Act 13 page on the Commission's website or email your questions to ra-Act13@pa.gov.

Very truly yours,

Rosemary Chiavetta

Secretary