

SETTLEMENT AGREEMENT

In consideration of the agreement set forth below, on this ____ day of December 2016, the Division of Public Utilities (Division) and Mr. Michael Moyal (singly a Party and collectively the Parties) agree to the settlement of the issues as set forth herein pertaining to “The Matter of Mr. Michael Moyal and the Master Meter System at the Millstream Motel,” Docket No. 16-2593-01, currently before the Public Service Commission of Utah (Commission).

BACKGROUND

1. On October 20, 2016, the Division filed its Request for Agency Action on Notice of Probable Violation, Proposed Hazardous Facility Order, Proposed Civil Penalty, and Proposed Compliance Order against Mr. Michael Moyal (Request for Agency Action) with the Commission and served the same upon Mr. Moyal. The Notice of Probable Violation contained in the Request for Agency Action referenced five probable violations the Division brought against Mr. Moyal as a result of his operation of a natural gas master meter system at the Millstream Motel, 1450 Washington Blvd, Ogden, Utah (Master Meter System). The Proposed Hazardous Facility Order, Proposed Civil Penalty, and Proposed Compliance Order also pertained to his operation of that Master Meter System. The Master Meter System includes, without limitation, the natural gas meter and associated piping.

2. The Division and Mr. Moyal are the only parties to this docket.

3. On November 9, 2016 the Division issued its First Set of Data Requests to Mr. Moyal.

4. On November 14, 2016, the Division's Pipeline Safety Staff (Pipeline Safety) conducted a site inspection of the Master Meter System.
5. On November 17, 2016, Mr. Moyal responded to the Data Requests.
6. On November 22, 2016, the Parties met at the Heber Wells Building, Salt Lake City, Utah to discuss possible settlement of this matter.
7. Based upon the discussion held November 22, 2016 and consideration of the facts and circumstances in this case, the Parties have determined that it is in the best interest to resolve this matter as provided below.

TERMS AND CONDITIONS

8. Settlement is Just and Reasonable and in the Public Interest. Following analysis, review, and arms-length negotiations, and without waiver or acceptance of the claims, testimony, or objections of any Party, the Parties have agreed to compromise and settle their differences with respect to the Request for Agency Action in this docket and to enter into this Settlement Agreement. The Parties agree that approval of this Settlement Agreement is just and reasonable and is in the public interest.

9. Locking of Meter and Purging of System Render the Master Meter System Inoperable. In response to Mr. Moyal's request, on October 26, 2016 Questar Gas Company (Questar Gas) locked the meter for the Master Meter System. Subsequently, Mr. Moyal had the piping for the Master Meter System appropriately purged. On November 14, 2016, Pipeline Safety verified through a site inspection that Questar Gas had locked the master meter at issue at the Millstream Motel, that the meter remained locked, and that the piping for the Master Meter System had been appropriately purged, together rendering the Master Meter System inoperable.

10. No Restoration of Service through the Master Meter System. Mr. Moyal agrees that he will not restore gas service through the Master Meter System.

11. Action before the Commission. The Division agrees to pursue dismissal of the Request for Agency Action or, in the alternative, Commission approval of this Settlement Agreement.

12. Participation before the Commission. Mr. Moyal agrees to participate as appropriate in the Division's efforts to pursue Commission dismissal of the Request for Agency Action or, in the alternative, Commission approval of this Settlement Agreement.

MISCELLANEOUS PROVISIONS

13. Privileged and Confidential. All negotiations related to this Settlement Agreement are privileged and confidential and no Party shall be bound by any position asserted in negotiations. Neither the execution of this Settlement Agreement nor the Commission order, if any, adopting this Settlement Agreement shall be deemed to constitute an acknowledgment by any Party of the validity or invalidity of any principle or practice, or the basis of an estoppel or waiver by any Party other than with respect to issues explicitly resolved by this Settlement Agreement; nor shall it be introduced or used as evidence for any other purpose in a future proceeding by any Party to this Settlement Agreement except a proceeding to enforce the approval or terms and conditions of this Settlement, nor shall be deemed an admission of fault or guilt by Mr. Moyal. The Parties believe that this Settlement Agreement is in the public interest and that the terms and conditions it provides for are just and reasonable.

14. Commission Approval. If the Commission determines that it is required to approve the Settlement Agreement, the Parties agree as follows:

- a. If requested by the Commission, the Division will and Mr. Moyal may agree to present testimony of one or more witnesses to explain and support this Settlement Agreement. Such witnesses will be available for examination.
- b. The Parties agree that if any other party, entity, or individual challenges the approval of this Settlement Agreement, requests rehearing of any approval of the Settlement Agreement, each Party will use its best efforts to support the terms and conditions of the Settlement Agreement at the Commission and the applicable appellate court.
- c. In the event the Commission rejects any or all of this Settlement Agreement, or imposes any additional material condition on approval of this Settlement Agreement, or in the event the Commission's approval of this Settlement Agreement is rejected or conditioned in whole or in part by an appellate court, each Party reserves the right to withdraw from this Settlement Agreement. If such a decision of the Commission or an appellate court is issued, any Party contemplating withdrawing from this Settlement Agreement shall notify the other Party to this Settlement Agreement that it is contemplating withdrawing within five business days of the date such decision is issued. Upon receipt of such a notice, the Parties agree to meet promptly and discuss the Commission or court decision and to attempt in good faith to reach a modified settlement

agreement. If the Parties reach impasse in their discussions, any Party may withdraw from the Settlement Agreement by providing written notice of withdrawal to the Commission and the Parties to this proceeding within ten (10) days of reaching impasse.

- d. In the event any Party withdraws from this Settlement Agreement, no Party shall be bound or prejudiced by the terms of this Settlement Agreement, and each Party shall be entitled to undertake any steps it deems appropriate.

RESPECTFULLY SUBMITTED this ____ day of December 2016.

Chris Parker
Director
Utah Division of Public Utilities

Michael Moyal