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**BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH**

**IN THE MATTER OF PACIFIC ENERGY &  
MINING COMPANY**

**Docket No. 18-2602-01**

**UTAH DIVISION OF PUBLIC  
UTILITIES' RESPONSE TO PACIFIC  
ENERGY & MINING COMPANY'S  
REQUEST FOR HEARING**

On September 18, 2019, Pacific Energy & Mining Company (PEMC) filed its Request for Hearing (Request) with the Public Service Commission of Utah (Commission). The body of the Request states, "Pacific Energy & Mining Company, by and through its counsel of record, hereby requests that the Public Service Commission of Utah set a hearing on Pacific Energy's Interim Program and the Division's Action Request of August 22, 2019."<sup>1</sup> This is the Division of Public Utilities' (Division) response to that Request.

PEMC's Request is somewhat unclear. It seems probable that PEMC wants to discuss the Interim Pipeline Monitoring Program (Interim Program) filed August 21, 2019 by PEMC on behalf of Dead Horse Oil Company, LLC (Dead Horse). However, it is unclear whether Dead

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<sup>1</sup> Request at p. 1.

Horse, the current operator of the Paradox Pipeline, will participate in the hearing, or if only PEMC will participate on behalf of Dead Horse.

In addition, the purpose of the requested hearing is vague. Is the purpose of the hearing to provide PEMC an opportunity, presumably on behalf of Dead Horse, to rebut the Division's findings and recommendations in its September 6, 2019 response to the Commission's Action Request (Action Request Response) rather than address the Action Request itself?<sup>2</sup> Or is the purpose of the hearing for Dead Horse to discuss the September 12, 2019 letter from Dead Horse to the Pipeline and Hazardous Materials Safety Administration (Letter) where Dead Horse states that it "will lower the pipeline pressure below 375 psi, install a compressor at the Northwest Pipeline Interconnect and operate the pipeline at 350 psi?"<sup>3</sup> The Letter further states that "Since 375 psi is 20% of SMYS and the pipeline is below 20% of SMYS, the pipeline is thereby **unregulated**."<sup>4</sup> The Division has concerns about pipeline safety even if the pressure is reduced. Also, neither the Division nor the Commission can evaluate compliance or jurisdiction when and if these changes are put in place without more information.

If the Commission decides to grant the Request, the Division respectfully requests the Commission to:

Declare in detail the scope of the hearing;

Order Dead Horse to be present at the hearing and be prepared to participate, including having a witness available, in addition to PEMC if PEMC is acting on behalf of Dead Horse;<sup>5</sup>

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<sup>2</sup> See Request at p. 1.

<sup>3</sup> Letter at p. 1. The Letter is included as Attachment 1.

<sup>4</sup> Letter at p. 1 (emphasis in the original). The Division notes that Dead Horse's assertion that the pipeline is unregulated is without merit for several reasons, including the proposed modifications are not represented to be completed and the Commission has not issued an order declaring that the pipeline is unregulated.

<sup>5</sup> It is important for the principal to be present at the hearing, not just PEMC if PEMC is acting on behalf of Dead Horse. Having the principal there allows Dead Horse to answer questions and commit to future actions without the delay involved if Dead Horse is not present and PEMC is acting on behalf of Dead Horse.

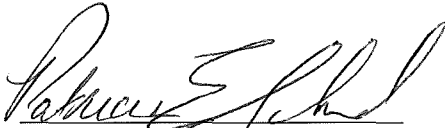
If PEMC is acting on behalf of Dead Horse, order PEMC to have a witness or witnesses available to provide testimony and answer questions at the hearing;

If the hearing is to challenge the Division's findings and recommendations in its Action Request Response, order Dead Horse or PEMC on behalf of Dead Horse to file objections or evidence challenging the Division's Response far enough in advance of the hearing for the Division to have a reasonable opportunity to review the filing; and

If the hearing is to present to the Commission Dead Horse's plan for the Paradox Pipeline to become unregulated as set forth in the Letter, order Dead Horse to file details of its plan, including engineering details such as the proposed location for the compressor at the interconnect, a list of required permits, if any, and the timeline far enough in advance of the hearing for the Division to have a reasonable opportunity to review it.

By filing this response, the Division is not waiving its right to pursue other appropriate actions.

DATED this 25<sup>th</sup> day of September 2019.

  
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of Public Utilities