

- BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH -

Pacific Energy & Mining Company	<p style="text-align: center;"><u>DOCKET NO. 18-2602-01</u></p> <p style="text-align: center;"><u>NOTICE OF STATUS AND SCHEDULING</u> <u>CONFERENCE</u></p>
---------------------------------	---

ISSUED: October 4, 2019

The Division of Public Utilities (DPU) initiated this docket approximately a year and a half ago, on April 12, 2018, filing a Request for Agency Action on Notice of Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order against Pacific Energy & Mining Company (PEMC). After extensive process and several hearings, the Public Service Commission (PSC) issued its Hazardous Facility Order (“HFO”) on April 10, 2019. The HFO found PEMC had violated 12 separate subprovisions of 49 C.F.R. § 192 and had failed to cure all but one of them at the time the HFO issued. The HFO ordered PEMC to cease operations of its pipeline within 60 days and to pay a \$100,000 civil penalty.

Several months after the HFO issued, the DPU filed a Status Update, on June 12, 2019, expressing concern that PEMC had failed to comply with the HFO. On June 17, 2019, PEMC filed a short letter representing it had suspended operations, presumably in the interest of complying with the HFO. Since then, the parties’ numerous filings suggest PEMC has closed and locked all valves on the Pipeline, but the DPU remains concerned that the Pipeline is packed with gas and that PEMC has failed to take the steps necessary to bring the Pipeline into compliance with applicable safety regulations. For a time, the DPU represented it was “hopeful” that the parties’ efforts at resolution would bring PEMC into compliance, and the parties agreed PEMC would file an Interim Pipeline Monitoring Program (“Interim Program”). *See* DPU’s Response to the PSC’s July 26, 2019 Notice, filed August 1, 2019.

However, the parties' efforts to resolve these issues have stalled. After PEMC submitted its proposed Interim Program, the PSC issued an Action request to the DPU, asking it to evaluate the filing and make a recommendation. On September 6, 2019, the DPU submitted its Response to the PSC's August 22, 2019 Action Request. The DPU represented the Interim Program does not include all of the DPU's minimum recommendations and further represented the Interim Program "is insufficient, incomplete, and noncompliant with applicable pipeline safety regulations." The DPU recommended the PSC "order the Pipeline to be deactivated by October 14, 2019 pursuant to 49 CFR Part 191.727 – Abandonment or deactivation of facilities." The DPU further recommended that "if the Pipeline is not deactivated by October 14, 2019" that the PSC "impose the maximum penalty pursuant to Utah Code Ann. [§] 54-13-8 until the Pipeline has been deactivated consistent with 49 CFR Part 192.727."

On September 16, 2019, PEMC filed a Request for Hearing, containing a single sentence and asking the PSC "set a hearing on [PEMC's] Interim Program and the [DPU's] Action Request." On September 25, 2019, the DPU filed a Response to PEMC's Request for Hearing, seeking clarification as to whom PEMC intends to participate (i.e., PEMC, Dead Horse Oil Company, LLC, or both) and the purpose of the hearing.

As the above discussion should convey, the procedural posture of this docket has become somewhat unwieldy. The PSC cannot impose additional penalties, as the DPU requested in its filing on September 6, 2019, without allowing PEMC an opportunity to be heard. As PEMC has requested a hearing and the DPU has expressed confusion as to the purpose for that hearing, the

DOCKET NO. 18-2602-01

- 3 -

PSC believes the parties and the process would be best served by conducting a Status and Scheduling Conference in advance of any hearing.

Therefore, the PSC gives notice its designated Presiding Officer will conduct a Status and Scheduling Conference in this docket on **Wednesday, October 16, 2019 at 10:00 a.m., Fourth Floor Room 401**, Heber M. Wells Building, 160 East 300 South, Salt Lake City, Utah.

Individuals wishing to participate by telephone should contact the PSC two days in advance by calling (801) 530-6716 or (toll-free) 1-866-PSC-UTAH (1-866-772-8824).

Participants attending by telephone should then call the PSC at one of the numbers posted above five minutes before the conference to ensure participation.

In compliance with the Americans with Disabilities Act, individuals needing special accommodations (including auxiliary communicative aids and services) during any proceeding should notify the PSC at 160 East 300 South, Salt Lake City, Utah 84111, (801) 530-6716, at least three working days prior to the conference.

DATED at Salt Lake City, Utah, October 4, 2019.

/s/ Michael J. Hammer  
Presiding Officer

Attest:

/s/ Gary L. Widerburg  
PSC Secretary  
DW#310203

CERTIFICATE OF SERVICE

I CERTIFY that on October 4, 2019, a true and correct copy of the foregoing was delivered upon the following as indicated below:

By U.S. Mail:

Rodney Nugent  
Registered Agent—PEMC  
17 West Main 149  
PO Box 149  
Green River, UT 84525

\* Documents previously mailed to this address have been returned to the PSC as undeliverable.

Dean H. Christensen  
Manager  
Dead Horse Oil Company  
17 West Main Street  
Green River, UT 84525

\* Documents previously mailed to this address have been returned to the PSC as undeliverable.

By Email:

Dan Green ([dfgreen1@dslextreme.com](mailto:dfgreen1@dslextreme.com))  
Tariq Ahmed ([taroil@yahoo.com](mailto:taroil@yahoo.com))

Terry R. Spencer, Ph.D. ([terry@spencerandjensen.com](mailto:terry@spencerandjensen.com))  
Spencer & Jensen, PLLC  
*Attorney for PEMC*

Rodney Nugent ([rnugel@yahoo.com](mailto:rnugel@yahoo.com))  
Registered Agent – PEMC

Dean Christensen ([dirtbag129@gmail.com](mailto:dirtbag129@gmail.com))  
Manager, Dead Horse Oil Company

Patricia Schmid ([pschmid@agutah.gov](mailto:pschmid@agutah.gov))  
Justin Jetter ([jjetter@agutah.gov](mailto:jjetter@agutah.gov))  
Robert Moore ([rmoore@agutah.gov](mailto:rmoore@agutah.gov))  
Steven Snarr ([stevensnarr@agutah.gov](mailto:stevensnarr@agutah.gov))  
*Assistant Utah Attorneys General*

Madison Galt ([mgalt@utah.gov](mailto:mgalt@utah.gov))  
*Division of Public Utilities*

By Hand Delivery:

*Office of Consumer Services*  
160 East 300 South, 2nd Floor  
Salt Lake City, UT 84111

---

Administrative Assistant