

STATE OF UTAH
OFFICE OF THE ATTORNEY GENERALSEAN D. REYES
ATTORNEY GENERALSPENCER E. AUSTIN
Chief Criminal DeputyPARKER DOUGLAS
Chief of Staff & Federal SolicitorTYLER R. GREEN
Solicitor GeneralBRIDGET K. ROMANO
Chief Civil Deputy

CERTIFIED MAIL - RETURN RECEIPT REQUESTED

February 10, 2016

Mr. Michael Moyal
Millstream Motel
1450 Washington Blvd.
Ogden, UT 84404RE: NOTICE—YOU MUST COMPLY WITH STATUTES, REGULATIONS, AND RULES
REGARDING MASTER METER SYSTEMS

Dear Mr. Moyal,

Based upon information provided by the Pipeline Safety Staff as a result of its January 6, 2016 meeting with you on your property, you are the owner and operator of a natural gas pipeline system which is defined as a “master meter system.” Accordingly, you must comply with the statutes, regulations, and rules enacted by the Utah Legislature, the Public Service Commission of Utah (Commission), and the federal government, and you are subject to the jurisdiction of the Commission and the Utah District Court. This means you must either cease the provision of gas service or comply with the above-mentioned provisions, as outlined below.

You are specifically subject to, without limitation, Utah Code Ann. Section 54-13-1 through 54-13-8 and Commission Administrative Rule R746-409. Under these provisions, as the owner and operator of a master meter system, you must comply with certain pipeline safety statutes and regulations including, but not limited to, the federal Natural Gas Act and related federal and state legislation.¹ For example, you must: report certain accidents or incidents related to your master meter system and file related accident or incident reports; have [on your property] “a plan for the operation and maintenance of [your master meter system];” and have [on your property] “a plan to minimize hazards resulting from an incident involving [your master meter system]” which complies with the “essential requirements stated in Title 49 CFR Part 192.615.” A “gas detector leak survey” may also be required.² You can find the applicable statutes, regulations, and rules on Utah’s Pipeline Safety webpage at publicutilities.utah.gov/pipeline.html.

¹ See, e.g. Utah Code Ann. Sections 54-13-2 and 54-13-3.

² R746-409-4 through R746-409-7.

Consequences for failing to comply with applicable statutes, regulations, and rules, after notice and opportunity for hearing before the Commission or District Court, include substantial fines. These fines may be up to but not more than \$100,000 per violation per day, but may not exceed \$1,000,000 "for any related series of violations."³ The Pipeline Safety Staff is available to assist you with these compliance requirements. You can contact Connie Hendricks at (801) 530-6286 for more information and assistance.

If you choose to cease operating and using the master meter system, you would no longer be subject to the above statutes, regulations, and rules. There are certain steps that you must take to properly cease operating and using your master meter system. In order for you to cease owning and operating a master meter system, you must: turn off the valve upstream from the meter, notify Questar Gas Company to lock and tag the valve, and blow out the residual gas from inside the downstream pipes. The Pipeline Safety Staff is available to assist you with this option, and can be contacted as set forth above.

Within two weeks after the receipt of this letter, please inform the Pipeline Safety Staff and me in writing of your intentions. Send written notice of your decision to the Pipeline Safety Staff at:

Division of Public Utilities
Pipeline Safety Section
P.O. Box 146751
Salt Lake City UT 84114-6751

or by email to:
pipelinesafety@utah.gov

and to me at:

Patricia E. Schmid
Assistant Attorney General
160 East 300 South, 5th Floor
P.O. Box 140857
Salt Lake City, UT 84114-0857

or by email to:
pschmid@utah.gov

Should you continue to own and operate your master meter system without complying with the applicable statutes, regulations, and rules, the Attorney General's Office will initiate legal proceedings against you. The Attorney General's Office will file a Complaint and Notice of Probable Violation with the Commission or the Utah District Court. The Complaint and Notice of Probable Violation will request, among other things, that you be ordered (1) to comply with applicable law and (2) be assessed penalties related to your noncompliance. This letter satisfies the requirement under Commission Administrative Rule R746-409 that you be provided notice before proceedings are initiated before the Commission.

³ Utah Code Ann. Sections 54-13-8(1) and (2).

The Utah Division of Public Utilities, its Pipeline Safety Section, and the Attorney General's Office work together to promote and protect the public safety relating to the ownership and operation of master meter systems. Statutory penalties are designed to help ensure that owners and operators of master meter systems do not disregard the law. You must protect the public by complying with applicable statutes, regulations, and rules.

If you have any questions, please contact me by phone at (801) 366-0380, or by email at pschmid@utah.gov.

Sincerely,



Patricia E. Schmid
Assistant Attorney General

cc: Chris Parker
Al Zadeh