

PATRICIA E. SCHMID (#4908)
JUSTIN C. JETTER (#13257)
Assistant Attorney Generals
Counsel for the DIVISION OF PUBLIC UTILITIES
SEAN D. REYES (#7969)
Attorney General of Utah
160 E 300 S, 5th Floor
P.O. Box 140857
Salt Lake City, UT 84114-0857
Telephone (801) 366-0380
pschmid@agutah.gov
jjetter@agutah.gov

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'
FINAL REPLY TO
PACIFIC ENERGY MINING
COMPANY'S RESPONSE**


Pursuant to the Public Service Commission of Utah's (Commission) April 16, 2018 scheduling order (Scheduling Order) in this case, the Utah Division of Public Utilities (Division) hereby files its Final Reply to Pacific Energy Mining Company's (PEMC) May 15, 2018 Response (Response).

PEMC's Response did not deny the validity of the Division's allegations raised in its April 12, 2018 Notice of Agency Action on Probable Violation, Proposed Civil Penalty, and Proposed Compliance Order (Notice of Agency Action). Although the Division acknowledges the effort that PEMC put into its Response, the Division's concerns are unsatisfied. According to the Division's Pipeline Safety staff (UTPS),

PEMC's responses are, at best, inadequate, and demonstrate an incomplete knowledge or application of applicable pipeline regulations and requirements. The Response failed to demonstrate that the identified deficiencies had been corrected. Moreover, the Response's proposed actions are insufficient to bring PEMC into compliance with the relevant regulations. In addition, the Response contained no assertions of mitigating circumstances affecting PEMC's compliance in the past, or in the future.

Finally, the Response gave no valid reason explaining why PEMC, except for remedying one deficiency early on in the audit process, virtually ignored the repeated notifications and requests for compliance until the Request for Agency Action was filed with the Commission. PEMC's nonexistent or, at best, inadequate responses cause the Division concern about PEMC's willingness and ability to comply with applicable statutes and regulations. Therefore, the Division intends to pursue these matters before the Commission pursuant to the Scheduling Order.

DATED this 24th day of May 2018.


Patricia E. Schmid
Attorney for the Utah Division
of Public Utilities

CERTIFICATE OF SERVICE

I certify that I caused a true and correct copy of the foregoing Final Reply of the Utah Division of Public Utilities to be served this 24th day of May 2018 by email and/or USPS mail, postage prepaid, to the following:

Dan Green
Vice President of Operations
Pacific Energy & Mining Company
3550 Barron Way, Suite 13A
Reno, NV 89511
dfgreen1@dslextreme.com

Rodney Nugent
Registered Agent – PEMC
17 West Main Street
P.O. Box 149
Green River, UT 84525

Chris Parker, Director, Division of Public Utilities
chrisparker@utah.gov

Al Zadeh, Pipeline Safety Lead
azadeh@utah.gov

DPU Data Request
DPUdatarequest@utah.gov



A handwritten signature in cursive script, appearing to read "E. Ladd", is written over a horizontal line.