

–BEFORE THE PUBLIC SERVICE COMMISSION OF UTAH–

**IN THE MATTER OF THE REQUEST OF
DOMINION ENERGY UTAH TO EXTEND
NATURAL GAS SERVICE TO GREEN RIVER,
UTAH.**

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**DOCKET No. 21-057-12
Exhibit No. DPU 2.0 DIR
Direct Testimony of
Jimmy Betham**

FOR THE DIVISION OF PUBLIC UTILITIES
DEPARTMENT OF COMMERCE
STATE OF UTAH

Direct Testimony of

Jimmy Betham

October 29, 2021

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1 **I. INTRODUCTION**

2 **Q. PLEASE STATE YOUR NAME AND BUSINESS OCCUPATION.**

3 A: Jimmy Betham. I am employed by the Utah Division of Public Utilities (Division) in the
4 Pipeline Safety Section (UTPS) as a Pipeline Safety Engineer.

5 **Q: WHAT IS YOUR BUSINESS ADDRESS?**

6 A: My business address is 160 East 300 South, Heber Wells Building-4th Floor, Salt Lake
7 City, Utah 84111.

8 **Q: PLEASE DESCRIBE YOUR EDUCATIONAL BACKGROUND.**

9 A: I received an engineering degree in Civil and Environmental Engineering at Brigham
10 Young University, Provo campus in 2003.

11 I also received certification as a pipeline safety engineer through the twelve required
12 courses from U.S. Department of Transportation Pipeline and Hazardous Materials Safety
13 Administration, commonly called PHMSA, from 2007-2017.

14 **Q: PLEASE DESCRIBE YOUR PROFESSIONAL EXPERIENCE.**

15 A: I have been employed by the Division since October of 2006 as a pipeline safety engineer
16 in UTPS. Previous to that I worked as a soils engineer for a geotechnical engineering
17 consulting firm.

18 **Q: HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC SERVICE
19 COMMISSION OF UTAH (COMMISSION)?**

20 A: Yes. I was the Division's witness in Docket No. 18-2602-01, In the Matter of Pacific
21 Energy & Mining Company, commonly called the PEMC Case.

22 **Q: IS THERE A RELATIONSHIP BETWEEN THE PEMC CASE AND THIS
23 DOCKET?**

24 A: Yes. The PEMC Case involved pipeline safety issues with the PEMC Pipeline¹ when it
25 was operated by PEMC, and then by a subsequent operator. In the PEMC Case, among
26 other things, the Commission issued a Hazardous Facility Order (ultimately resulting in
27 the PEMC Pipeline ceasing operation), levied a civil penalty, and established conditions
28 for the pipeline's return to service.

29 Through its application in this docket (Application), Dominion Energy Utah (DEU or the
30 Company) seeks approval to purchase and use the PEMC Pipeline as part of its new
31 proposed infrastructure to provide natural gas service to Green River, Utah.

32 **Q: WHAT DOES DEU ASK THE COMMISSION TO DO IN THIS DOCKET WITH**
33 **REGARD TO THE PEMC PIPELINE AND RELATED PROPOSED**
34 **INFRASTRUCTURE?**

35 A: In its Application, the Company requests several things. “[T]he Company requests that
36 the Commission approve the Company's Conversion to Service Plan and, if the
37 Application is approved and the Company closes on the purchase of the PEMC Pipeline,
38 discontinue all PEMC Restrictions, and vacate the HFO and the HFO Notice.”² DEU
39 also requests “that the Commission issue a declaratory order indicating that Dominion
40 Energy is not and will not be responsible to pay that fine.”³

41 **Q: WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS**
42 **DOCKET?**

43 A: My testimony relates to the pipeline safety areas of this case. I address the Division's
44 recommendations concerning the Company's request to discontinue the HFO, the HFO
45 Notice, and the PEMC Restrictions as described in the Company's Application and as
46 addressed in the relevant Commission orders. I present the Division's assessment of the
47 proposed Conversion to Service Plan (CSP). I also provide the Division's

¹ The PEMC Pipeline is sometimes called the Paradox Pipeline.

² Application at p. 7. The Application discusses and defines the PEMC Restrictions, the HFO Order, and the HFO Notice at pp. 7-8.

³ Application at p. 8.

48 recommendation regarding the Company's request that the Commission declare DEU
49 will not be responsible for the penalty assessed in the HFO and related orders.

50 **Q: DO YOU ADDRESS THE COMPANY'S REQUEST FOR AN ORDER FOR A**
51 **CERTIFICATE OF CONVENIENCE AND NECESSITY FOR SERVICE TO**
52 **GREEN RIVER, APPROVE THE RURAL INFRASTRUCTURE FACILITIES,**
53 **AND RECOVER THE COSTS INCURRED?**

54 A: No. Division witness Mr. Russell Cazier will address those issues in his testimony, DPU
55 Exhibit 1.0 DIR.

56 **Q: WILL YOU PLEASE PROVIDE A SUMMARY OF YOUR**
57 **RECOMMENDATIONS AND CONCLUSIONS IN THIS CASE?**

58 A: I recommend the Commission discontinue all PEMC Restrictions and vacate the HFO
59 and the HFO Notice.

60 After reviewing the CSP and DEU's response to the Division's data requests, I concluded
61 that the CSP is adequate except regarding the maximum allowable operating pressure
62 (MAOP) determination. Below I propose a solution to cure that inadequacy.

63 Relatedly, Division further recommends the Commission condition its order upon DEU
64 satisfying some specific additional requirements such as notification and communication,
65 concerning DEU's activities pertaining to the PEMC Pipeline's return to service. These
66 specific requirements are presented below.

67 Finally, I recommend that the Commission find that the Company is not and will not be
68 responsible for the \$100,000 penalty resulting from the PEMC Case. My analysis and
69 rationale for the conclusion and recommendations are explained below in the body of my
70 testimony.

71

72 **II. BACKGROUND**

73 **Q: DO YOU HAVE ANYTHING TO ADD TO DEU'S GENERAL DESCRIPTION OF**
74 **WHAT IT CALLS THE PEMC PIPELINE?**

75 A: No. Mr. Messersmith's description is adequate for the purposes of my testimony.

76 **Q: COULD YOU PLEASE PROVIDE ADDITIONAL INFORMATION ABOUT THE**
77 **PEMC PIPELINE AND THE PEMC CASE?**

78 A: Yes. I'll provide a bit of very brief background information. In 2016, a pipeline safety
79 audit discovered certain deficiencies concerning the PEMC Pipeline, at that time operated
80 by PEMC. Efforts to resolve these deficiencies failed. Then, on April 18, 2018, the DPU
81 filed its Request for Agency Action, which started proceedings in Docket No. 18-2602-
82 01. On January 18, 2019 and subsequently, the Commission issued several orders in the
83 PEMC case, most noticeably including the HFO, HFO notice, \$100,000 penalty, and
84 addressing what the operator needed to do to continue service though the pipeline.
85 During this process, PEMC resigned as operator and a new operator was named.
86 Ultimately, the new operator shut in the pipeline.

87 **Q. DOES THE PEMC PIPELINE REMAIN SHUT IN?**

88 A. To my knowledge, yes.

89 **Q: YOU CONDUCTED SEVERAL SITE VISITS IN THE COURSE OF THE PEMC**
90 **CASE. HAVE YOU CONDUCTED A SITE VISIT OF THE PEMC PIPELINE**
91 **SINCE THAT CASE CONCLUDED?**

92 A. No. There has not been cause to do so.

93 **III. DPU'S ANALYSIS OF DEU'S APPLICATION BACKGROUND**

94 **Q: HAVE YOU REVIEWED AND ANALYZED DEU'S APPLICATION IN THIS**
95 **DOCKET INsofar AS IT ADDRESSES PIPELINE SAFETY CONCERNS**

96 **INVOLVED WITH THE PROPOSED ACQUISITION AND USE OF THE PEMC**
97 **PIPELINE; RELIEF FROM THE HFO, THE HFO NOTICE, THE PEMC**
98 **RESTRICTIONS, AND THE PENALTY INVOLVED WITH THE PEMC**
99 **PIPELINE; AND THE CONVERSION TO SERVICE PLAN? ?**

100 A. Yes.

101 **Q: PLEASE BRIEFLY DESCRIBE THE ACTIVITIES THAT WERE PART OF**
102 **YOUR ANALYSIS AND REVIEW.**

103 A: The Division reviewed the Application and accompanying testimonies. In addition, the
104 Division submitted pipeline safety-related data requests to the Company. DEU provided
105 34 responses to the Division's data request, set 2. The responses referenced DEU's
106 various plans and procedures that pertained to the data request questions. The Division
107 conducted a detailed review and discussed the Application and accompanying testimonies
108 and the data request responses.

109 **Q. HAVE YOU REVIEWED MR. MESSERSMITH'S TESTIMONY REGARDING**
110 **THE DEFICIENCIES IDENTIFIED IN THE COMMISSION'S PRIOR ORDERS**
111 **AND DEU'S ASSESSMENT OF AND PLANS TO REMEDY THOSE**
112 **DEFICIENCIES?**

113 A. Yes. Mr. Messersmith discusses these things at lines 166-391 of his testimony.

114 **Q. WHAT IS THE DIVISION'S OVERALL ASSESSMENT OF THIS PORTION OF**
115 **MR. MESSERSMITH'S TESTIMONY?**

116 A. DEU operates many regulated gas transmission pipelines⁴ and to the best of UTPS'
117 current knowledge those pipelines comply with the regulatory requirements addressed in
118 the PEMC Case. The Division believes if and when the PEMC Pipeline becomes a part of

⁴ The Division has classified the PEMC Pipeline as a transmission line under the applicable regulations. DEU calls the line a gathering line. It is likely the distinction makes no meaningful difference in this docket.

119 the overall DEU system, the violations identified in the PEMC Case will be resolved, and
120 the HFO and the HFO Notice should no longer apply to the pipeline.

121

122 **Q: HAVE YOU REVIEWED THE COMPANY'S CONVERSION TO SERVICE**
123 **PLAN, ITS CSP?**

124 A. Yes. And the Division has reviewed the Company's relevant data responses too.

125 **Q. WHAT IS THE DIVISION'S OVERALL ASSESSMENT OF DEU'S CSP?**

126 A. The CSP is generally adequate except that its treatment concerning MAOP determination
127 is inadequate. The Division recommends that any approval be conditioned upon the
128 Company incorporating its response to DPU data request 2.16 into the CSP. That
129 response is attached as DPU Exhibit 2.1. There are also other recommendations for
130 approval that the Division proposes.

131 **Q. WHAT OTHER CONDITIONS DOES THE DIVISION RECOMMEND?**

132 A. The Division recommends that the Commission include the following as conditions if the
133 Commission decides to approve the Application:

- 134 1. Instruct DEU to communicate with the Division and UTPS during reactivation
135 of the PEMC Pipeline.
- 136 2. During the re-evaluation and recommissioning process of the PEMC Pipeline,
137 DEU needs to be in communication with UTPS and provide documentation to
138 verify the deficiencies in the HFO are remedied by DEU.
- 139 3. Require DEU to communicate with and provide prior notice to UTPS
140 concerning In Line Inspections (ILI), major Anode Bed installations, and
141 construction activities relating to the PEMC Pipeline. This communication
142 and notification will allow UTPS to schedule inspections.
- 143 4. Instruct DEU to provide UTPS with the ILI results for its records in this
144 docket.

145 By imposing these conditions explicitly, the Commission will facilitate the PEMC
146 Pipeline's expeditious and safe return to service.

147 **Q. HAVE YOU REVIEWED THE COMPANY'S REQUEST THAT THE**
148 **COMMISSION DETERMINE THAT DEU IS NOT AND WILL NOT BE**
149 **RESPONSIBLE TO PAY THE \$100,000 CIVIL PENALTY?**

150 A. Yes.

151 **Q. WHAT DOES THE DIVISION RECOMMEND WITH REGARD TO THE CIVIL**
152 **PENALTY?**

153 A. DEU's plan for the PEMC Pipeline is sound and no punitive or ameliorative purpose is
154 served by imposing the civil penalty on a new, unaffiliated operator. Therefore, the
155 Division recommends that the penalty not be applied to DEU.

156 **IV. CONCLUSIONS AND RECOMMENDATIONS**

157 **Q: WHAT ARE THE DIVISION'S CONCLUSIONS AND RECOMMENDATIONS**
158 **REGARDING THE PIPELINE SAFETY ASPECTS OF THIS DOCKET?**

159 A: Insofar as the Application relates to pipeline safety issues, the Division recommends that
160 the Commission:

- 161 1. Approve discontinuing the HFO, HFO Notice, and the PEMC Restrictions as
162 discussed herein.
- 163 2. Approve DEU's CSP, and the Application, with the condition that DEU's
164 response to DPU data request 2.16 be incorporated into the CSP.
- 165 3. Condition approval of the Application upon acceptance and compliance with the
166 recommendations DPU makes above relating to communication, notification,
167 field inspections, etc.
- 168 4. Declare that DEU is not and will not be responsible for the \$100,000 civil
169 penalty levied against the operator of the PEMC Pipeline in the HFO.

170 Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?

171 A. Yes.