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Division of Public Utilities

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MEDIA ALERT

"Moab natural gas pipeline shut down, operator fined \$100K after investigation by Utah Division of Public Utilities"

"State Pipeline Safety investigation found Pacific Energy & Mining Company failed to conduct inspections, file annual reports, raised public risk and hazardous safety concerns"

(For immediate release...)

SALT LAKE CITY, Utah – Chris Parker, Director of the Utah Division of Public Utilities, announced today that a Division investigation resulted in an Hazardous Facility Order issued against Pacific Energy & Mining (PEMC) April 10, 2019 by the Utah Public Service Commission (PSC). At the request of the Division, the PSC ordered the shutdown of PEMC's natural gas pipeline near Moab, Utah, directed the company to cease operations within 60 days, notify affected entities and pay a \$100,000 civil penalty to the State.

The Commission's Order resulted from a 2016 inspection by the Division's Pipeline Safety team which found numerous operational, emergency, and other violations. After repeated efforts to ensure compliance, the Division filed its enforcement action with the Commission in April 2018. At the PSC hearing, the Division proved 11 ongoing violations of state code. Although the pipeline is located in a lightly-populated area, its safe operation is critical to public safety in Southern Utah. There are numerous facilities near the pipeline, including the Canyonlands Field Airport, a public campground, as well as constant travel from outdoor recreationists.

"Natural gas is part of Utah's economic success and the Division of Public Utilities is committed to minimizing safety risks of natural gas facilities. PEMC's practices left us with no confidence in its pipeline's integrity. Though we are aware of no immediate risk to the public, continued operation is a danger to the public until regulators can be assured of safe practices," stated Chris Parker, Division Director, "I'm proud of our pipeline safety team's work to ensure the safety of all pipelines even when they are located in the state's more remote areas."

About the PEMC Pipeline: 16 inch steel pipeline running 21 miles from PEMC's processing plant near the intersection of Ruby Ranch Road and Power Line Road to the Williams' pipeline tap near the Archview Resort northwest of Moab, Utah.

The Division will follow up to confirm the pipeline's closure, work with PEMC on complying with state law and ensure continuing public safety. In the event of future compliance, the Division will also participate in proceedings to remove the Commission's Hazardous Facility Order.

About the Division of Public Utilities: The Division of Public Utilities is part of the Utah Department of Commerce and makes recommendations to the Utah Public Service Commission for rate-making purposes, applications, hearings and other issues affecting quality of service. The Division investigates consumer complaints and monitors utility operations to ensure compliance with Public Service Commission rules, regulations and orders. The Division of Public Utilities houses the state's pipeline safety program, which enforces pipeline safety laws and rules for intrastate natural gas pipelines. These laws and rules result from a federal delegation of authority and are partially funded by the federal government. The Division's engineers and other personnel maintain the state's program, inspect pipelines, review operator qualifications and procedures, and seek enforcement against violators before the Public Service Commission.

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