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BEFORE THE ARIZONA CORPORATION COMMISSION
Arizona Corporation Commission

COMMISSIONERS

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AZ CORP COMMISSION
DOCKET CONTROL

IN THE MATTER OF COMMISSION PIPELINE
SAFETY SECTION STAFF'S COMPLAINT
AGAINST DESERT GAS, LP FOR VIOLATIONS
OF COMMISSION RULES.

DOCKET NO. G-20923A-15-0030

PROCEDURAL ORDER

BY THE COMMISSION:

On February 3, 2015, the Pipeline Safety Section ("Staff") of the Arizona Corporation Commission's ("Commission's") Safety Division filed in this docket a Complaint against Desert Gas, LP ("DG"), alleging multiple violations of Commission rules associated with DG's construction and placement into service of a new methane compressor and associated piping. *Inter alia*, Staff asserted that DG is both a pipeline operator and public service corporation and that DG has violated A.A.C. R14-5-202(B) by failing to qualify welding procedures, by failing to qualify welders, by failing to perform required nondestructive testing during construction, and by failing to perform required nondestructive testing after discovering failed construction welds. The Complaint requests as relief that DG be ordered to cease operating the new methane compressor until nondestructive testing of all welds has been completed and be required to pay monetary fines. Staff requested that a hearing be scheduled on the Complaint.

On February 12, 2015, Staff filed a Notice of Filing Amended Complaint, to clarify that a reference to an Order to Show Cause in the original filing had been included in error.

Also on February 12, 2015, the Commission's Docket Control Center sent a copy of the Formal Complaint to DG by certified mail, with a cover letter instructing DG to respond within 20 days of receipt.

On February 23, 2015, a Notice of Appearance and Request for Extension of Time were filed for DG, identifying Jason D. Gellman as counsel and requesting a 60-day extension of time to answer

1 the Amended Complaint. DG asserted that settlement of this matter is likely and that a 60-day
2 extension would allow Staff and DG to devote their full attention to negotiating a mutually acceptable
3 settlement in an efficient matter. DG further asserted that it believed a settlement could be reached
4 without the need for an Answer to be filed and that the extension was requested to further
5 administrative efficiency and not for the purpose of delay. DG also stated that Staff had no objection
6 to the requested extension.

7 On February 25, 2015, a Procedural Order was issued granting DG a 60-day extension of time
8 to file an Answer to the Amended Complaint filed on February 12, 2015.

9 On April 20, 2015, a Joint Request for Extension of Time was filed, in which the parties state
10 that considerable progress has been made toward settlement, that major settlement terms have been
11 exchanged and are being negotiated, and that a further 60-day extension of time would be beneficial.

12 Because the parties report that they are making progress in their settlement negotiations and
13 have jointly requested an extension of time so as to continue focusing on those negotiations, which
14 constitutes good cause, the parties' joint request should be granted. Additionally, the due date for the
15 answer to the Amended Complaint should be clarified.

16 IT IS THEREFORE ORDERED that **DG is hereby granted a 60-day extension of time** to
17 file an Answer to the Amended Complaint filed in this docket on February 12, 2015.

18 IT IS FURTHER ORDERED that the **deadline** for DG to file its Answer to the Amended
19 Complaint is now **July 13, 2015**.¹

20 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
21 31, 38, and 42 and A.R.S. § 40-243 with respect to practice of law and admission *pro hac vice*.

22 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
23 Communications) applies to this proceeding and shall remain in effect until the Commission's
24

25 ¹ A.A.C. R14-3-106(H) requires that the answer to a complaint be filed within 20 days after the date on which the
26 complaint is served by the Commission. A.A.C. R14-3-107(B) provides that service may be made by mail and shall be
deemed complete when a true copy of a document, properly addressed and stamped, is deposited in the U.S. mail with
first class postage prepaid.

27 In this case, although the Amended Complaint was sent by certified mail with a notice letter on February 12, 2015,
28 the certified mail return receipt shows that it was received on February 23, 2015, and that it had been addressed to "Tulsa,
AZ" rather than "Tulsa, OK." In light of this, the original due date for the Answer was March 15, 2015, and the first
extended due date was May 14, 2015.

1 Decision in this matter is final and non-appealable.

2 IT IS FURTHER ORDERED that the Administrative Law Judge may rescind, alter, amend,
3 or waive any portion of this Procedural Order either by subsequent Procedural Order or by ruling at
4 hearing.

5 DATED this 22nd day of April, 2015.

6 
7 SARAH N. HARPRING
8 ADMINISTRATIVE LAW JUDGE

9 Copies of the foregoing mailed
this 22nd day of April, 2015 to:

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