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BEFORE THE ARIZONA CORPORATION COMMISSION

COMMISSIONERS

Arizona Corporation Commission

DOCKETED

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JUN 15 2015

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AZ CORP COMMISSION
DOCKET CONTROL

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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
10 stated that considerable progress had been made toward settlement, that major settlement terms had
11 been exchanged and were being negotiated, and that a further 60-day extension of time would be
12 beneficial.

13 On April 22, 2015, a Procedural Order was issued granting DG a second 60-day extension of
14 time to file an Answer to the Amended Complaint filed on February 12, 2015, and clarifying that the
15 extension resulted in a due date of July 13, 2015.

16 On June 10, 2015, Staff filed a Notice of Filing Settlement Agreement and Request for
17 Procedural Conference, including a copy of the Settlement Agreement executed by DG and Staff on
18 June 9, 2015.

19 Accordingly, a procedural conference should be scheduled.

20 IT IS THEREFORE ORDERED that a **procedural conference** shall be held on **June 24,**
21 **2015 at 10:00 a.m.**, or as soon thereafter as practicable, at the Commission's offices, 1200 West
22 Washington Street, **Hearing Room No. 2**, Phoenix, AZ 85007.

23 IT IS FURTHER ORDERED that all parties must comply with Arizona Supreme Court Rules
24 31, 38, and 42 and A.R.S. § 40-243 with respect to practice of law and admission *pro hac vice*.

25 IT IS FURTHER ORDERED that the Ex Parte Rule (A.A.C. R14-3-113 - Unauthorized
26 Communications) applies to this proceeding and shall remain in effect until the Commission's
27 Decision in this matter is final and non-appealable.

28

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

4 DATED this 15th day of June, 2015.

5 
6 SARAH N. HARPRING
7 ADMINISTRATIVE LAW JUDGE

8 Copies of the foregoing mailed
9 this 15th day of June, 2015 to:

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