

# LOUISIANA PUBLIC SERVICE COMMISSION

ORDER NO. T-32436

LOUISIANA PUBLIC SERVICE COMMISSION V. SOUTHERN SPECIALTIES  
TRANSPORTATION, LLC  
(ESTHERWOOD, LOUISIANA)

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*Docket Number T-32436 – In Re: Alleged violation of Louisiana Revised Statutes Title 45:161 through 180.1 as amended, by operating beyond the scope of authority granted in LPSC number 7291 on two hundred sixty-one (261) counts; allegedly occurring between January 01, 2011 and September 25, 2011.*

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(Decided at the October 24, 2012 Business and Executive Meeting)

## **Background**

On July 11, 2012, the Louisiana Public Service Commission (“Commission”) issued a citation to Southern Specialties Transportation, LLC (“Southern Specialties”), directing the Carrier to show cause at a hearing to be held on September 6, 2012, why it should not be found guilty of violating Louisiana Revised Statutes Title 45:161 through 180.1 as amended, by operating beyond the scope of authority granted in LPSC number 7291 on two hundred sixty-one (261) counts; allegedly occurring between January 1, 2011 and September 25, 2011. Notice of this proceeding was published in the Commission’s Official Bulletin dated July 20, 2012.

On November 27, 2007, the LPSC issued Southern Specialties a Certificate of Public Convenience and Necessity subject to the following:

Southern Specialties Transportation, LLC be granted a common carrier certificate authorizing the transportation of drilling mud for disposal, which originates in the parishes of Acadia, Evangeline, St. Landry, Jefferson Davis, Vermilion, and Cameron.

As a result of a merger with JTH Transportation, LLC (“JTH”), Southern Specialties was issued Certificate 7291-A on September 26, 2011. Certificate 7291-A authorizes Southern Specialties to:

Transportation of non-hazardous oilfield waste as follows:

- A. Non-Hazardous oilfield waste which originates in the parishes of Acadia, Evangeline, St. Landry, Jefferson Davis, Vermilion, and Cameron.
- B. Transportation of non-hazardous oilfield waste which originates north of a line drawn east and west across the northern borders of Vernon, Rapides, Avoyelles, and West Feliciana Parishes...(subject to equipment restrictions)

The Citation issued in this matter arises out of an alleged two hundred and sixty-one (261) violations that occurred between January 1, 2011 and September 25, 2011 (prior to the issuance

of the expanded authority in Certificate 7291-A). The pertinent timeline for the facts of this case is as follows:

**November 27, 2007** – Waste Certificate 7291 was issued to Southern Specialties subject to the limitations established above.

**April 13, 2010** – Waste Certificate 7534 was issued to JTH allowing transportation of oil field waste in Northern Louisiana, subject to equipment restrictions.

**January 2011** – Southern Specialties hauled water based mud originating outside their authorized territory.

**August 30, 2011** – Application was filed (Docket S-32071) to merge LPSC Certificate No. 7291 with 7534 (would eventually result in 7291-A.)

**September 1-25, 2011** - The remaining violations occurred resulting in the Citation

**September 26, 2011** – Certificate 7291-A was issued to Southern Specialties, allowing “Transportation of non-hazardous oilfield waste which originates north of a line drawn east and west across the northern borders of Vernon, Rapides, Avoyelles, and West Feliciana Parishes...”

Commission Staff’s investigation revealed that these violations were the result of the Carrier operating beyond the scope of the authority issued in Certificate 7291 prior to the expanded authority and territory contemplated in the issuance of Certificate 7291-A. The violations therefore included operations through September 25, 2011, the day before Certificate 7291-A was issued.

By stipulation and agreement dated October 4, 2012, the Carrier agreed to plead guilty to the alleged violations, waived its right to a hearing and agreed to pay a fine of \$25,000.00 along with a citation fee of \$25.00, for a total of \$25,025.00.

The Carrier agreed that it had violated Louisiana Revised Statutes Title 45:161 through 180.1 as amended, by operating beyond the scope of its authority on two hundred and sixty-one (261) counts. Southern Specialties has been cooperative with Commission Staff throughout this investigation and prior to the violations in this docket. Commission Staff determined that a \$25,000.00 fine was reasonable given prior Commission decisions involving multiple violations of a similar nature.

***Staff Recommendation***

That the Commission exercise its original and primary jurisdiction under Rule 57 and approve the agreement between Staff and the Carrier, dated October 4, 2012, wherein the Carrier

agreed to plead guilty and agreed to pay a fine of \$25,000.00, along with a citation fee of \$25.00, for a total of \$25,025.00, to be remitted to the Commission.

***Commission Action***

The Commission considered the matter at the October 24, 2012, Business and Executive Session. On motion of Commissioner Holloway, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to exercise its original and primary jurisdiction and bring this matter up pursuant to Rule 57.

On motion of Commissioner Holloway, seconded by Commissioner Campbell, and unanimously adopted, the Commission voted to accept the Staff Recommendation and approve the agreement between Staff and the Carrier, dated October 4, 2012, wherein the Carrier agreed to plead guilty and agreed to pay a fine of \$25,000.00, along with a citation fee of \$25.00, for a total of \$25,025.00, to be remitted to the Commission.

**IT IS THEREFORE ORDERED:**

That the Guilty Plea entered into by Southern Specialties Transportation, LLC, to the allegations that it had violated Louisiana Revised Statutes Title 45:161 through 180.1, as amended, by operating beyond the scope of authority granted in LPSC number 7291 on two hundred sixty-one (261) counts; allegedly occurring between January 01, 2011 and September 25, 2011, be and is hereby accepted and that a fine of \$25,000.00, along with a citation fee of \$25.00, for a total of \$25,025.00, to be remitted to the Commission, is to be paid in full within fifteen (15) days of the issuance of this Order.

**BY ORDER OF THE COMMISSION  
BATON ROUGE, LOUISIANA**

November 19, 2012



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**DISTRICT V  
CHAIRMAN FOSTER L. CAMPBELL**




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**DISTRICT II  
VICE CHAIRMAN JAMES M. FIELD**

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**DISTRICT I  
COMMISSIONER ERIC E. SKRMETTA**

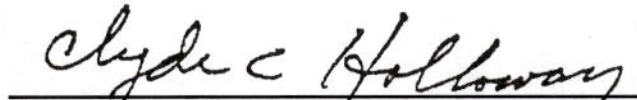
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**DISTRICT III  
COMMISSIONER LAMBERT C. BOISSIERE, III**

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**EVE KAHAO GONZALEZ  
SECRETARY**

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**DISTRICT IV  
COMMISSIONER CLYDE C. HOLLOWAY**