



**COLORADO**

**Department of  
Regulatory Agencies**

Public Utilities Commission

Eric Blank, Chairman  
John C. Gavan, Commissioner  
Megan M. Gilman, Commissioner  
Doug Dean, Director

Patty Salazar, Executive Director  
Jared Polis, Governor

## Colorado Joint Budget Committee (JBC) Request for Information Response: DORA/PUC FY 2021-22 RFI DORA 1

November 1, 2021

### INTRODUCTION

The Colorado Joint Budget Committee's (JBC) Appropriations Report *Fiscal Year 2021-22* includes "Legislative Requests for Information for FY 2021-22." Including a Request for Information (RFI) DORA 1 directed at the PUC PSP:

*Department of Regulatory Agencies; Public Utilities Commission. The Department is requested to provide the following information to the Joint Budget Committee every year beginning by November 1st 2020: The number of pipeline incidents that have occurred under the jurisdiction of Gas Pipeline Safety Unit for the previous three fiscal years, the classification of pipelines in which those incidents have occurred, the degree of severity of incidents that have occurred, the status of hiring and number of FTE included within the Gas Pipeline Safety Unit.*

This memorandum is responsive to this request, designated DORA/PUC FY 2021-22 RFI DORA 1. All sources of information are publicly available.

### BACKGROUND

The State of Colorado operates a Federally certified hazardous gas pipeline system safety program (PSP) within the Colorado Public Utilities Commission (PUC) under the Department of Regulatory Agencies (DORA). The PUC PSP's responsibility is to Colorado statute C.R.S. § 40-2-115 and all PUC rules promulgated and structured under this statute to operate the program in accordance with U.S. DOT Pipeline and Hazardous Materials Safety Administration (PHMSA) certification.

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Under this certification, the PUC PSP has safety regulation jurisdiction over all intrastate operators of pipeline systems transporting hazardous gas by pipeline. This jurisdiction includes investor-owned natural gas utilities (IOU), municipal natural gas utilities, master metered systems and



LPG/propane systems (e.g., mobile home parks, campuses, resorts, etc.), gas gathering systems, and gas gathering related transmission systems.

In this Federally driven context, it should be noted that *transporting hazardous gas* is a regulatory term, not a physical description. The PUC PSP safety authority extends to pipelines carrying gas as a commodity, not as a raw product. Other Colorado agencies with important public and environmental safety authority in the complete “well-to-burner-tip” gas utilization cycle include:

- The Colorado Oil and Gas Conservation Commission (COGCC) with oversight of oil and gas production-related facilities and pipelines;
- The Colorado Department of Labor and Employment’s (CDLE) Division of Oil and Public Safety (OPS) with oversight of LPG/Propane storage tanks and administrative support of the Underground Damage Prevention Safety Commission; and
- The Colorado Department of Public Health and Environment (CDPHE) with existing oversight of oil and gas production air emission permitting and a growing oversight of fugitive methane emissions.

PSP-jurisdictional mileage as of March 2021:

Transmission piping (200-1200psi):	7,759.4 miles
Jurisdictional Gathering (10 - 1200 psi):	714.9 miles
Distribution Main (10 - 150 psi):	37,367 miles
Distribution Services (10 - 60 psi):	20,643 miles (est. from 1,669,677 services)
<b>TOTAL JURISDICTIONAL PIPELINE:</b>	<b>66,484 miles</b>

Additional jurisdiction:

*Identified* Master Meter Operators (MMO) and LPG systems: 22 (exempt from PUC rate regulation) with unknown total mileage estimated to be <200 miles.

## RESPONSE: PIPELINE INCIDENTS 2018 -2021

From January 1, 2018, to October 1, 2021, there have been 12 natural gas pipeline incidents in Colorado as defined by PHMSA reporting criteria: 10 on distribution pipelines, and 1 each on transmission and gathering pipelines. Of these, PHMSA has flagged 11 as being “significant” incidents, with 1 fatality, 6 injuries, and over \$2.7 million in property damage.

Only one incident (a 2018 distribution incident near Salida that resulted in no deaths or injuries) has an incident cause type associated with an internal failure of the pipeline system. All other incidents have failure causes associated with external factors: Falling ice/snow, vehicle accidents, soil/earth movement, and excavation damage. Of these root causes, excavation damage is the most common specific cause and comprises 42% of the incident total for this period (5 incidents). Additionally, excavation-related incidents caused 1 fatality and 2 injuries (43% of the direct human impact) and caused \$1.3 million in property damage (48% of total property damage).

Colorado’s “One Call Law” (C.R.S. § 9-1.5) amended in 2018 to create the Underground Damage Prevention Safety Commission (UDPSC)<sup>1</sup>, which is authorized to receive and hear complaints against parties violating the One Call Law and issue penalties against those parties if the UDPSC deems it prudent. Since January of 2019, this process has allowed the PUC PSP to pursue complaints against excavators that have been shown to be, through investigation, responsible for pipeline incidents.

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<sup>1</sup> Comprised of Colorado stakeholder groups such as described in C.R.S. § 9-1.5-104.2 and administratively supported by CDLE Oil and Public Safety Division.

Of the five excavation-caused incidents in the data set, two occurred after the UDPSC began accepting complaints in 2019. Neither incident resulted in death or injury. After investigation, the PUC PSP successfully pursued a complaint and penalty with the UDPSC.

From January 1, 2021, to October 1, 2021, there have been 7 natural gas pipeline incidents in Colorado as defined by PHMSA reporting criteria: 7 on distribution pipelines, and none on transmission and gathering pipelines. Of these, PHMSA has flagged all 7 as being "significant" incidents, with 2 fatalities, 4 injuries, and over \$2 million in property damage.

The 4-year incident trend argues for additional investigation of pipeline damages outside of incidents and the pursuit of additional enforcement against those excavators or pipeline operators who violate One Call Law regulations. With a larger program staff, in 2022 the PUC PSP intends to engage in more investigation of pipeline damages not resulting in a pipeline incident.

Attachment 1 provides complete data for the three previous fiscal years (four calendar years) as requested by the committee.

#### **RESPONSE: STATUS OF PSP FTE AND HIRING UNDER FY 2021-22 APPROPRIATIONS**

The PUC PSP currently has six inspection FTE filled from the engineering and environmental protection specialist (EPS) classifications. Additional inspection resources will be added during FY 2021-22 pursuant to JBC's approval of a decision item included in last year's FY 2021-22 budget submission.

The Fixed Utility Fund supports the PUC PSP (FUF) authorized under C.R.S. § 40-2-112 but also received a calendar year reimbursement grant from U.S. DOT PHMSA. Accounting for the grant (which can support between 55% and 70% of costs) is critical to determining the PSP's impact on the larger PUC budget.

Each state gas pipeline safety program submits its calendar-year grant application in September of the previous calendar year, meaning that the CY 2021 reimbursement was capped prior to appropriations approved under Colorado's FY 2021-22 Long Bill. Filling the contemplated four inspections, FTE appropriated for FY 2021-22 on the program's CY 2022 grant that begins in January 2022 will enable the expenses to be captured for partial reimbursement by the CY 2022 U.S. DOT PHMSA grant amount.

The PSP has six new positions to fill plus one open position for an inspector who retired in May 2021. All six new positions plus the backfill position are currently with DORA HR. New position numbers have been assigned. The five EPS II positions will be announced on a single advertisement that will be posted sometime the week of October 25, 2021 and will be posted for two weeks. The PE II position and the Scientific Programmer/Analyst (the GIS position) positions are being finalized with HR, and we expect to have those positions announced within the next month. We anticipate that all the positions will fill in the first quarter of 2022.

ATTACHMENT 1: JURISDICTIONAL PIPELINE SYSTEM INCIDENTS IN COLORADO 2018 - 2021

COLORADO NATURAL GAS DISTRIBUTION PIPELINE SYSTEM INCIDENTS:2018-OCTOBER 2021

Operator Name	NRC Report #	Calendar Year	Incident Date	Incident City	Incident County	Incident State	Longitude	Latitude	Explosion Flag	Evacuation Flag	Significant Incident Flag	Material	Incident Cause Type	Incident Cause SubType	# of Fatalities	# of Injuries	Total Property Damage
BLACK HILLS ENERGY	1287639	2020	9/17/2020	GYPSUM	EAGLE	COLORADO	39.61664	-106.95002	Yes	Yes	Yes	PLASTIC	EXCAVATION DAMAGE	THIRD PARTY EXCAVATION DAMAGE	1	0	\$516,680
BLACK HILLS ENERGY	1271384	2020	2/17/2020	ASPEN	PITKIN	COLORADO	39.19212	-106.82632	Yes	Yes	Yes	STEEL	NATURAL FORCE DAMAGE	OTHER NATURAL FORCE DAMAGE	0	1	\$2,452
BLACK HILLS ENERGY	1247821	2019	5/24/2019	FREDERICK	WELD	COLORADO	40.14603	-104.97490	No	No	Yes	STEEL	EXCAVATION DAMAGE	THIRD PARTY EXCAVATION DAMAGE	0	0	\$80,111
PUBLIC SERVICE CO OF	1244219	2019	4/30/2019	GOLDEN	JEFFERSON	COLORADO	39.69741	-105.25469	Yes	Yes	Yes	PLASTIC	EXCAVATION DAMAGE	THIRD PARTY EXCAVATION DAMAGE	0	0	\$160,265
PUBLIC SERVICE CO OF	1241717	2019	4/3/2019	BRECKENRIDGE	SUMMIT	COLORADO	39.48781	-106.04119	Yes	No	Yes	STEEL	OTHER OUTSIDE FORCE DAMAGE	OTHER OUTSIDE FORCE DAMAGE	0	1	\$72,062
PUBLIC SERVICE CO OF	1230632	2018	11/16/2018	AURORA	ARAPAHOE	COLORADO	39.66669	-104.82640	Yes	Yes	Yes	PLASTIC	EXCAVATION DAMAGE	THIRD PARTY EXCAVATION DAMAGE	1	2	\$935,018
PUBLIC SERVICE CO OF	1208951	2018	4/10/2018	SALIDA	CHAFFEE	COLORADO	38.52153	-106.10621	No	Yes	Yes	STEEL	MATERIAL/WELD/EQUIP FAILURE	BODY OF PIPE	0	0	\$325,103
															2	4	\$2,091,691

COLORADO NATURAL GAS GATHERING PIPELINE SYSTEM INCIDENTS:2018-OCTOBER 2021

Operator Name	NRC Report #	Calendar Year	Incident Date	Incident City	Incident County	Incident State	Longitude	Latitude	Explosion Flag	Evacuation Flag	Significant Incident Flag	Material	Incident Cause Type	Incident Cause SubType	# of Fatalities	# of Injuries	Total Property
DCP MIDSTREAM	1242220	2019	04/02/2019	NOT WITHIN A MUNICIPALITY	WELD	COLORADO	40.29207	-104.94181	No	Yes	Yes	CARBON STEEL	OTHER OUTSIDE FORCE DAMAGE	OTHER OUTSIDE FORCE DAMAGE	0	0	\$381,431
															0	0	\$381,431

COLORADO NATURAL GAS TRANSMISSION PIPELINE SYSTEM INCIDENTS:2018-OCTOBER 2021

Operator Name	NRC Report #	Calendar Year	Incident Date	Incident City	Incident County	Incident State	Longitude	Latitude	Explosion Flag	Evacuation Flag	Significant Incident Flag	Material	Incident Cause Type	Incident Cause SubType	# of Fatalities	# of Injuries	Total Property
BLACK HILLS ENERGY	1293896	2020	12/09/2020	NOT WITHIN A MUNICIPALITY	GARFIELD	COLORADO	-107.20451	39.48047		No	Yes	CARBON STEEL	INCORRECT OPERATION	INCORRECT VALVE POSITION	0	0	\$80,567
TRANSCOLORADO GAS	1290817	2020	10/27/2020	NOT WITHIN A MUNICIPALITY	MONTEZUMA	COLORADO	-108.20414	37.34837		No	No	CARBON STEEL	MATERIAL/WELD/EQUIP FAILURE	MALFUNCTION OF CONTROL/RELIEF	0	0	\$7,376
SOUTHERN STAR CENTRAL	1273946	2020	03/20/2020	NOT WITHIN A MUNICIPALITY	WELD	COLORADO	-104.21699	40.74381		No	No	CARBON STEEL	MATERIAL/WELD/EQUIP FAILURE	MALFUNCTION OF CONTROL/RELIEF	0	0	\$6,857
COLORADO INTERSTATE	1244489	2019	05/02/2019	FORT MORGAN	MORGAN	COLORADO	-103.81311	40.22766	No	No	Yes	CARBON STEEL	OTHER OUTSIDE FORCE DAMAGE	VEHICLE NOT ENGAGED IN EXCAVATION	0	0	\$108,084
COLORADO INTERSTATE	1235460	2019	01/18/2019	NOT WITHIN A MUNICIPALITY	WELD	COLORADO	-104.60895	40.11735	No	No	No	CARBON STEEL	MATERIAL/WELD/EQUIP FAILURE	CONSTRUCTION, INSTALLATION OR	0	0	\$18,053
COLORADO INTERSTATE	1230933	2018	11/20/2018	AURORA	ARAPAHOE	COLORADO	-104.70070	39.69830	No	No	No	CARBON STEEL	EXCAVATION DAMAGE	THIRD PARTY EXCAVATION DAMAGE	0	0	\$64,252
															0	0	\$285,189



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## Colorado Joint Budget Committee (JBC) Request for Information Response: DORA/PUC FY 2021-22 RFI DORA 1 - PUC Staffing

November 1, 2021

### PUC Staffing

The Colorado Joint Budget Committee's (JBC) Appropriations Report *Fiscal Year 2021-22* includes "Legislative Requests for Information for FY 2021-22." Within Request for Information (RFI) DORA 1 directed at the PUC, a separate request independent of PUC GPS is included as follows:

*Department of Regulatory Agencies; Public Utilities Commission. "... Additionally, the Department is requested to provide the status of hiring and number of FTE included within the Public Utilities Commission, as well as a detailed list of how many FTE are assigned to each program or unit within the PUC."*

The Department is providing this basic information below by PUC administrative section, including total staff, vacancies, and new positions created during FY 2021-22 pursuant to legislation.

<b>PUC Administrative Section</b>	<b>Total FTE</b>	<b>Vacant as of November 1</b>	<b>New Positions From 2021 Legislation</b>
Commissioners	3.0	0.0	0.0
Director	1.0	0.0	0.0
Executive Office Staff	5.0	0.0	0.0
External Affairs	4.9	1.0	0.0
Public Safety Deputy Director	1.0	0.0	0.0
Transportation Section Chief	1.0	0.0	0.0
Transportation Rates & Authorities	4.0	0.0	0.0
Transportation Investigations & Compliance	4.0	0.0	0.0
Transportation Administrative Support	2.0	0.0	0.0
Rail Crossing/Transit Safety	3.0	0.0	0.0
Gas Pipeline Safety	13.0	4.0	3.0
Fixed Utilities Deputy Director	1.0	0.0	0.0
Fixed Utilities Economics	10.0	2.0	2.0
Fixed Rate/Financial Analysts	16.0	0.0	0.0
Fixed Utilities Engineers	10.0	1.0	2.0



<b>PUC Administrative Section</b>	<b>Total FTE</b>	<b>Vacant as of November 1</b>	<b>New Positions From 2021 Legislation</b>
Commission Support Deputy Director	1.0	0.0	0.0
Strategic Communications	1.0	0.0	0.0
Research & Emerging Issues	4.0	3.0	0.0
Advisors	16.0	0.0	3.0
Administrative Support & Decisions	2.0	0.0	0.0
Systems	2.0	0.0	0.0
Chief Administrative Law Judge	1.0	0.0	0.0
Administrative Law Judges	4.0	0.0	0.0
Legal Assistants	3.0	0.0	0.0
Court Reporters	2.0	0.0	0.0
<b>Total</b>	<b>114.9</b>	<b>11.0</b>	<b>10.0</b>

This information is a present snapshot that indicates where current vacancies are. However, vacancies occur and positions are filled on an ongoing basis. Further, additional new positions will be filled during FY 2022-23 pursuant to the out-year fiscal impact of 2021 legislation.