Decision No. C25-0489

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO**

PROCEEDING NO. 25R-0280GPS

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IN THE MATTER OF THE PROPOSED AMENDMENTS TO THE RULES REGULATING PIPELINE OPERATORS AND GAS PIPELINE SAFETY, 4 CODE OF COLORADO REGULATIONS 723-11.

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# NOTICE OF PROPOSED RULEMAKING

Issued Date: June 30, 2025
Adopted Date: June 25, 2025

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## I. BY THE COMMISSION

### A. Statement

1. The Colorado Public Utilities Commission ("Commission") issues this Notice of Proposed Rulemaking ("NOPR") to amend the Rules Regulating Pipeline Operators and Gas Pipeline Safety, 4 *Code of Colorado Regulations* 723-11 ("Pipeline Safety Rules"), proposing changes to Rules 11001, 11008, 11009, 11012, 11100, 11101, 11102, 11103, 11201, 11203, 11504, 11505, and 11506, and proposing new Rules 11209 and 11210.

2. This NOPR proposes changes to the Pipeline Safety Rules that require operators to conduct more frequent leak surveys using Advanced Leak Detection Technologies ("ALDT") and to timely address identified leaks, as authorized by § 40-2-115 (1)(d)(II)(E) and (1)(g), C.R.S. The proposed amendments also incorporate recent versions of 49 C.F.R. Part 192, and the National Pipeline Mapping System Operator Standards Manual.

3. Through prior rulemaking Proceeding No. 22R-0491GPS and Decision No. C24-0058, the Commission added reporting requirements in Rule 11103(b) concerning leak detection technologies and considered additional requirements for ALDT. At the time the Commission issued Decision No. C24-0058, the Pipeline and Hazardous Materials Safety Administration ("PHMSA") was considering significant changes to federal pipeline safety regulations involving ALDT, and Staff of the Colorado Public Utilities Commission ("Staff") was already engaged in stakeholder outreach on this topic.[1] The Commission therefore determined it

[1] Decision No. C24-0058, issued July 29, 2024, ¶ 25.

would be premature and inefficient to adopt additional ALDT rules, including a definition for ALDT.

4. Despite an extensive stakeholder process undertaken by PHMSA, it appears that PHMSA's recent rulemaking addressing ALDT will not result in final, updated federal rules.[2] However, on April 30, 2025, the Colorado legislature passed House Bill ("HB") 25-1280 requiring the Commission to "adopt rules related to pipeline safety and repair and the use of advanced leak detection technology" on or before November 1, 2025.[3] In accordance with this directive, the Commission proposes changes to its Pipeline Safety Rules that require the use of ALDT and that establish timelines for operators to address leaks, to meet the need for pipeline safety and protection of the environment.

5. The proposed rule changes are set forth in legislative (*i.e.*, strikeout/underline) format (Attachment A) and final format (Attachment B).

6. Through this NOPR, the Commission solicits comments from interested persons on the amendments proposed in this Decision and its attachments. Interested persons may file written comments including data, views, and arguments into this Proceeding for consideration. The Commission also welcomes the submission of alternative proposed rules, including both consensus proposals joined by multiple rulemaking participants and individual proposals. Participants are encouraged to provide redlines of any specific proposed rule changes.

7. The Commission refers this matter to an Administrative Law Judge ("ALJ") for a recommended decision. The ALJ will hold a public hearing on the proposed rules at 11:30 a.m. on August 5, 2025.

[2] Docket No. PHMSA-2021-0039, Final Rule issued January 17, 2025 ("Final Rule"). An official version has not been published in the Federal Register.

[3] Codified at ¶ 40-2-115(1)(g), C.R.S.

8. Initial written comments on the proposed rule changes are requested by July 22, 2025. Any person wishing to file comments responding to the initial comments is requested to file such comments by July 29, 2025. These deadlines are set so that the comments and responses may be considered at the public hearing conducted by the ALJ, nonetheless, persons may file written comments into this Proceeding at any time.

**B. Background**

9. The statutory authority for the rules proposed here is found at §§ 40-1-103, 40-2-108, 40-2-115, 40-3-110, 40-4-109, 40-6-108, and 40-7-117, C.R.S.

10. The Commission conducts its Pipeline Safety Program ("PSP") activities primarily under §§ 40-1-103, 40-2-115, and 40-7-117, C.R.S. In particular, § 40-2-115, C.R.S., authorizes the Commission to enter into cooperative agreements with federal agencies, directs the Commission to coordinate with state and federal agencies, and authorizes the Commission to adopt and create rules to administer and enforce the Pipeline Safety Act found at 49 U.S.C. §§ 60101, *et seq*.

11. The Pipeline Safety Act requires PHMSA to set minimum safety standards for the nation's pipeline facilities. Through certifications and agreements with PHMSA, state agencies that have adopted the federal minimum safety standards, such as the Commission, may obtain regulatory and enforcement authority over intrastate pipeline safety. The Commission submits certifications pursuant to 49 U.S.C. § 60105 to obtain this authority over Colorado pipeline safety. Importantly, this allows the Commission to adopt additional and more stringent safety standards, as long as the standards are compatible with minimum safety standards in federal regulations.[4]

[4] 49 U.S.C. § 60104(c).

The Commission has also entered into an agreement with PHMSA pursuant to § 60106 which governs the Commission's inspections of municipal utility pipeline facilities.

12. Federal pipeline safety statutes were most recently updated with the Protecting our Infrastructure of Pipelines and Enhancing Safety Act of 2020 ("PIPES Act").[5] The PIPES Act mandates that PHMSA establish performance standards for leak detection and repair programs for certain regulated gas gathering, transmission, and distribution operators reflecting commercially available advanced technology and practices for the identification, location, categorization, and repair of all leaks that are hazardous or potentially hazardous to public safety or the environment. Federal law has required PHMSA to consider both public safety and environmental protection in its oversight of pipeline safety since the enactment of the Pipeline Safety Act of 1992,[6] and the PIPES Act continues to promote the complementary purposes of public safety and environmental protection. For example, Section 113 of the PIPES Act directs PHMSA to establish requirements for gas pipeline leak detection and repair programs for certain gas pipeline facilities to "meet the need for . . . safety and to protect the environment."[7] Additionally, Section 114 and 115 of the PIPES Act of 2020 clarified that PHMSA must consider environmental benefits along with public safety benefits.

13. In response to congressional mandates in the PIPES Act, in May of 2023, PHMSA issued a notice of proposed rulemaking to advance leak detection and repair requirements.[8] As PHMSA later explained, federal standards for leak detection had remained largely unchanged since the 1970s, despite significant improvements in technology and operator practices, allowing

[5] Introduced via Pub. L. 116-260.
[6] *See*, *e.g.*, 49 U.S.C. § 60102(b)(1)(B), (h)(1)(A) (codifying Pub. L. 102-58).
[7] 49 U.S.C. § 60102(q)(1)(A)-(B) and (q)(2)(B). *See also* Congressional Summary of the PIPES Act of 2020 (describing Sections 113 and 114 as both "address[ing] pipeline methane emissions" to protect both public safety and the environment).
[8] 88 Fed. Reg. 31890 (May 18, 2023).

leaks to continue undetected and missing opportunities to identify leaks that might develop into catastrophic incidents.[9] Federal standards did not require repair of leaks on gas pipeline facilities unless the leak presented an existing or probable hazard to people or property, and even for the majority of those leaks, there were no repair timeframes.[10] PHMSA recognized that "federal leak repair requirements were historically focused on leaks the operator deemed 'hazardous' to people or property without providing any enforceable criteria for what constitutes a hazardous leak and largely ignored the environmental risks posed by gas pipeline leaks, no matter how significant."[11] PHMSA's rulemaking sought to improve public safety and meaningfully reduce methane emissions by addressing these shortcomings. Specifically, it sought to accomplish the following for all of Part 192 regulated gas pipelines[12]:

(a) strengthen leakage survey and patrolling requirements;

(b) introduce an Advanced Leak Detection Program performance standard;

(c) require operators to grade and repair all leaks, not merely those that pose public safety risks;

(d) establish minimum criteria for leak grades and associated repair schedules prioritized by safety and environmental hazards;

(e) require reductions in intentional sources of methane emissions by minimizing releases associated with blowdowns and other vented emissions from as transmission, offshore gas gathering, and Type A gas gathering pipelines;

(f) require operators to reduce emission associated with the design, configuration, and maintenance of pressure relief devices;

(g) codify in Federal regulations a congressional requirement for operators of gas pipeline facilities to implement written procedures to eliminate hazardous leaks, minimize releases of natural gas, and remediate or replace pipelines known to leak;

[9] Final Rule, pp. 6, 58.
[10] Final Rule, p. 58.
[11] Final Rule, p. 58.
[12] Refers to offshore gas gathering pipelines, as well as Types A, B, and C ''regulated onshore gas gathering'' pipelines—all of which are subject to certain Part 192 requirements under §§ 192.8 and 192.9. Such ''Part 192-regulated gas gathering pipelines'' does not include ''reporting-regulated'' or ''Type R'' gas gathering pipelines as defined in §§ 191.3 and 192.8(c)(3), which are not subject to part 192 safety requirements.

(h) expand reporting requirements and recordkeeping requirements to provide higher quality information on unintentional and intentional gas releases from gas pipeline facilities;

(i) require that Types A, B, and C gathering pipeline operators submit geospatial pipeline location data to the Nation Pipeline Mapping System (NPMS); and

(j) incorporate explicit reference to environmental harm among the hazards addressed in certain parts of 191 and 192 requirements.

14. PHMSA completed an extensive stakeholder and public comment process and prepared a Final Rule setting forth significant changes to leak detection and repair requirements. However, the Final Rule was not submitted to the Federal Register for publication until January 17, 2025, three days prior to the change in the federal administration. The Final Rule has not since been published in the Federal Register, and is therefore not effective. PHMSA has not disclosed how it plans to achieve compliance with requirements in the PIPES Act.

15. Until recently, Colorado law similarly focused the Commission's pipeline safety work on public safety risks through incorporation by reference of federal regulations. In 2021, through SB 21-108, the legislature strengthened Colorado's laws governing gas pipeline safety to meet emerging challenges in Colorado. The Commission addressed these new requirements in Proceeding No. 22R-0491GPS. Adopted rules included new rules on mapping, abandoned pipelines and expansion of annual reporting requirements and reporting requirements on the use of ALDT.

16. As relevant to this Proceeding, SB 21-108 required that the Commission's gas pipeline safety rules "must address, and may be more stringent than required by federal standards with regard to: . . . [u]se of advanced leak detection technology to meet the need for pipeline safety and protection of the environment."[13] Throughout Proceeding No. 22R-0491GPS, stakeholders and the Commission discussed and considered rules defining and requiring use of ALDT.

[13] § 40-2-115(1)(d)(II)(e), C.R.S.

The Commission ultimately determined that defining ALDT and imposing extensive ALDT requirements would be premature and inefficient, given that PHMSA's ongoing ALDT rulemaking could result in conflicting regulations and Commission staff were engaged in a stakeholder process concerning ALDT.[14]

17. In the interim and as part of the Commission's process to more fully implement § 40-2-115(1)(d)(II)(e), C.R.S., Commission Staff, including the Commission's PSP Chief, conducted multiple rounds of outreach to stakeholders regarding potential ALDT and repair rules. Participants in the stakeholder process included pipeline operators, environmental groups, committees of other state regulators, local government representative, and various interested individuals. Discussions were aimed at defining ALDT, considering various leak survey and repair timelines, and other changes needed to satisfy the legislative purposes underlying SB 21-108.

18. On April 30, 2025, the legislature passed HB 25-1280 requiring the Commission to "adopt rules related to pipeline safety and repair and the use of advanced leak detection technology" on or before November 1, 2025.[15] In accordance with this directive, the Commission proposes changes to its Pipeline Safety Rules requiring use of ALDT and establishing timelines for operators to address identified leaks.

### C. Discussion

19. The proposed rules resulting from Commission Staff's stakeholder process and directed by § 40-2-115, C.R.S., continue to prioritize public safety while also acknowledging state law that recognizes improved environmental protection through advanced leak detection and repair. Similar to the federal regulations in effect, and partly due to historic incorporation of federal

[14] Decision No. C24-0058 ¶¶ 25-26.
[15] § 40-2-115(1)(g), C.R.S.

regulations, the Commission's current Pipeline Safety Rules reflect a regulatory approach focused on public safety risks. As such, the Pipeline Safety Rules allow leaks which the operator does not deem hazardous to persons or property to be left unrepaired, even if the environmental harms of the leak are significant. The proposed rules aim to fix this shortcoming as allowed by § 40-2-115, C.R.S. The proposed rules also place new importance on establishing criteria surrounding leak classification, leak survey intervals, repair timelines, and on accountability for meeting these criteria. Robust requirements for detecting and addressing leaks can serve the complimentary purposes of protecting public safety, through addressing immediate health risks due to pipeline incidents and long-term health and property risks associated with perpetual leaks, and protecting the environment from continuing emissions of pollutants.

20. Consideration of environmental protection through leak detection and repair is directed by § 40-2-115, C.R.S. While separate from general utility regulation, this language recognizes that avoiding environmental harm benefits Coloradans is also consistent with statutes governing public utilities and directing the Commission in other contexts. In areas of electric and gas utility regulation, and in general guidance from Colorado legislation that recognizes climate change, the General Assembly has made clear the Commission's role in broader efforts to reduce greenhouse gas ("GHG") emissions. For example, House Bill ("HB")19-1261 established economy-wide GHG emission reduction targets, and SB 19-236 places GHG emission reduction requirements and goals on larger electric utilities.

21. Another example is SB 21-264, which requires gas distribution utilities to reduce GHG emissions 4 percent by 2025 and 22 percent by 2030, from a 2015 baseline. Under rules implementing this requirement, a utility seeking approval of its Clean Heat Plan may petition the

Commission to adjust its baseline emissions based on emissions data measured by ALDT.[16] In the first Clean Heat Plan filed by Public Service Company of Colorado, the Commission denied the Company's Advanced Mobile Leak Detection proposal, which would have used vehicle mounted detection equipment, finding it was premature to approve funding for the proposal given pending federal and state rulemakings.[17]

22. While these utility emission reduction requirements and adjudicated utility regulation proceedings are separate from gas pipeline safety requirements, and while the gas pipeline safety statutes do not contain emission reduction requirements or targets, we understand the broader context of Colorado's legislation to encourage consideration of environmental protection and impacts on GHG emissions. We also acknowledge that in certain areas of the Commission's work, increased spending on the natural gas system may undercut long-term policy goals and lead to higher rates as operator's spending may be passed on to ratepayers. It is with this full context that the Commission moves forward with continued improvements to the Pipeline Safety Rules to meet statutory requirements.

23. We also recognize our cooperative relationship with PHMSA governed by the federal pipeline safety statutes, and our § 60105 certifications that allow adoption of Colorado safety rules as long as the rules are compatible with the federal minimum safety standards. We expect PHMSA will take action to implement the directives of the PIPES Act in 49 U.S.C. § 60102(q), but given the uncertainty surrounding PHMSA's current processes, it will likely be years before federal standards are in place. Given our state mandate to have leak detection and repair rules in place by November 1, 2025, and the uncertainty around federal rulemaking, the

[16] Rule 4527(a)(1).
[17] Proceeding No. 23A-0392EG, Decision No. C24-0397, at ¶ 170.

Commission must move forward with proposed rules now. In the absence of updated federal regulations on leak detection and repair, these proposed rules may be additional and more stringent than the effective federal standards. However, they are intended to be compatible with the current federal regulations, as required by 49 U.S.C. § 60104. To the extent a rulemaking participant identifies a true conflict with federal statute or regulations, we seek comment on this.

24. The proposed rules are intended to add clarity and consistency, include updates given recent state law changes, and to help move Colorado forward despite uncertainty around federal rule changes. Importantly, these rule updates are intended to improve leak detection and leak repairs on Colorado's pipeline facilities, resulting in increased pipeline safety and protection of the environment by reducing incidents that harm Colorado citizens.

### D. Proposed Pipeline Safety Rules

#### 1. Typographical Errors

25. Typographical errors are found throughout the Part 11 Rule, which includes misspellings, grammatical errors, and reference updates. The rules this affects include: 11001(f), 11001(p), 11001(t), 11001(yy), 11101(b)(III), 11101(b)(IV), and 11101(b)(VI).

26. We do not seek comment on the typographical changes included in these Rules because the content, intent, and function will not change.

#### 2. Rule 11001 Definitions

27. We propose the addition of two new definitions to Part 11. Each definition is added to support a specific requirement in the proposed rules to fulfill the directives of § 40-2-115(e) and (g), C.R.S. A clarification of one definition is also proposed.

28. Proposed paragraph (a) provides a definition of "Advanced leak detection technology." It is defined as commercially available equipment that can detect leaks in gas

pipelines at a detection threshold of a 10 kg/hr emission rate with 90 percent of greater probability of detection, or better, to use with other Part 192-regulated gas pipeline facilities or within a suite of mutually-reinforcing technologies to offer comparable leak detection ability. The definition includes examples of technologies that may be considered advanced leak detection technologies but is not an exhaustive list. This definition was the subject of much stakeholder comment during the pre-rulemaking process. Based on the comments received by Commission Staff, this definition is intended to set a minimum standard for technology sensitivity while affording operators flexibility in choosing suitable leak detection equipment. Further, by setting a minimum probability of detection, the sensitivity standard in the proposed definition recognizes that leak detection technologies perform differently in different environmental and physical conditions.

29. We seek specific comment on the proposed definition of "Advanced Leak detection technology," given its central importance in this rulemaking, and given our intent that the definition provide flexibility while incorporating minimum thresholds to ensure effective ALDT is used.

30. Proposed paragraph (b) defines "Business district" as an area that has pipeline facilities located under predominantly continuous paving or concrete that extends: (I) from the center line of a street to a building wall on one or both side of the street; (II) from a main to a building wall; or (III) any other area that, in the judgment of the operator, should be so designated. This definition was considered in the pre-rulemaking stakeholder process, and is included in the proposed rules to provide clarity for when the Pipeline Safety Rules apply to pipeline facilities located in a business district.

31. Proposed paragraph (m) updates the definition for "Gathering pipeline" to mean any pipeline determined through the use of 49 U.S.C. § 192.8 to be jurisdictional. This update

provides clarity out of an abundance of caution that only certain gathering line types are subject to the Pipeline Safety Rules – currently this includes gathering lines Types A, B, and C.

### 3. Rule 11008 Incorporation by Reference

**32.** The rules are updated to reflect recent changes to federal standards published in 49 C.F.R. 192. The most recent changes became effective January 15, 2025. The rules also incorporate the most recent NPMS Operator Standards Manual, updated January 2025.

### 4. Rule 11009 More Stringent Standards

33. We propose updates to the existing rule to clarify that in the event of a more stringent rule of the Commission, when compared to the applicable federal safety standard, the Commission's rule shall apply. The proposed language would replace "conflict" with "more stringent rule," which parallels relevant language in 49 U.S.C. § 60104. General rule topics included in this provision are proposed to be updated with the addition of "operations, maintenance or construction task" to reflect the range of activities regulated by the Pipeline Safety Rules.

### 5. 11012 Waiver-Emergency

34. The proposed rule makes a small update to paragraph (b) for clarity – changing "not inconsistent" to "consistent" – this is proposed for readability and is not intended to be a change in the emergency waiver request standard.

### 6. 11100 Submission of Reports and Notices - General

35. We propose minor updates to paragraphs (c) and (c)(I) to reflect how Geographic Information Systems data must be filed, and is able to be filed, in practice. We also propose updates to subparagraph (c)(II), requiring that the data attributes to be submitted shall include wall thickness in the pipe description, and the identification of class location for each segment as

applicable. These data attributes are proposed to be added based on the experience of Commission Staff in reviewing these reports.

### 7. 11101 Submission of Reports and Notices

36. We propose the addition of new subparagraphs (e)(I)(K) and (e)(I)(L) regarding the required information for annual leak reports. Proposed subparagraph (e)(I)(K) requires the written analysis of the operator's selection of ALDT for each leak survey conducted in the prior calendar year in accordance with Rule 11209. Proposed subparagraph (e)(I)(L) requires for each gas leak, the leak classification, the confirmed discovery date, the latest leak evaluation date, and the expected or actual repair date. Both of these proposed subparagraphs are reporting requirements associated with the leak survey and leak repair requirements proposed in Rules 11209 and Rule 11210, and aim to provide transparency into operators' compliance with the rules.

### 8. 11102 Verbal Reporting of Pipeline Incidents and Events

37. An update to subparagraph (b)(I) of the rule is proposed, which would delete "gathering pipelines in Class 1 areas" from the enumerated operators subject to this provision. This deletion is proposed because the current language is unnecessary; gathering pipelines in Class 1 areas are included in "all pipeline operators" and should not be called out as a special category.

### 9. 11103 Submission of Annual Reports

38. We proposed a change to subparagraph (b)(II), requiring that by March 31 of each year, each operator submits to the Commission a list of leak detection tools, techniques, methods, and processes, including narrative of advanced leak detection technologies, being used along with the extent of their use and their descriptions according the Rule 11100(e). The current rule includes a reporting requirement on leak detection technologies. The proposed change would provide

additional and more robust information to increase transparency into operators' practices regarding leak detection.

### 10. 11201 Pipeline Excavation Damage Prevention

39. Proposed updates to paragraphs (b), (c), and (d) delete exemptions from rules provided to gathering pipeline systems. These exemptions should not apply to gathering pipeline systems that are within the regulatory jurisdiction of the Commission.

### 11. 11203 Small Operator Systems

40. Proposed Rule 11203(b)(IV) states that an operator of a de minimis gas system must repair all pipeline leaks that represent an existing or probable hazard to persons or property immediately upon discovery. This update is proposed to provide consistency with the leak classification language used in Rule 11209. We do not anticipate that de minimis system operators will need to substantively change their leak classification or repair protocols, because we understand that the industry uses "hazardous" and "an existing or probable hazard to persons or property" interchangeably.

### 12. 11209 Advanced Leak Detection Survey Requirements

41. Proposed Rule 11209 requires periodic leak surveys using ALDT, and imposes different leak survey intervals on transmission, distribution, and gathering pipelines.

42. Under proposed Rule 11209(a), operators have the flexibility to choose any ALDT for a leak survey, including different ALDTs for different surveys. An operator's selection of ALDT for a particular survey must consider: (I) the state of commercially available leak detection technologies and practices; (II) the ability of leak detection technologies to estimate the leak rate; (III) the size and configuration of the pipeline system; and (IV) the system operating parameters and environment. As the use of ALDT is a relatively new practice in the pipeline safety industry,

this proposed rule aims to ensure public safety and environmental benefits are realized through ALDT leak survey requirements and that operators keep informed of available technologies.

43. Proposed Rule 11209(b) sets forth the intervals for leak surveys using ALDT. This was the subject of extensive discussion in the pre-rulemaking stakeholder process. The resulting proposed rule is intended to ensure that ALDT use meets the need for pipeline safety and protection of the environment through more timely discovery of leaks, while considering the burden and cost to pipeline operators of more frequent leak surveys.

44. For transmission pipelines in a Class 1, 2, or 3, or High Consequence Area, operators must perform a leak detection survey at least twice each calendar year and at intervals not exceeding 7.5 months. For transmission pipelines in Class 4 areas, operators must perform a leak detection survey at intervals not exceeding 4.5 months, and at least 4 times each calendar year.

45. For distribution pipelines inside business districts, requirements in 49 C.F.R. 192.723 apply. For distribution pipelines outside of business districts that have higher risk factors, operators must perform a leak detection survey at intervals not to exceed 15 months but at least once a calendar year (or as close to once a calendar year as practicable if environmental conditions would reasonably prevent an accurate survey are present). For other distribution pipelines outside of business districts, operators must perform a leak detection survey at intervals not to exceed 39 months, but at least once every calendar year.

46. The provision applying to distribution pipelines outside of business districts that have higher risk factors provides flexibility in case of adverse environmental conditions. We seek specific comment on whether this flexibility is necessary to include in rule, whether adverse environmental conditions may be incorporated into operators' leak survey planning, and whether

this type of flexibility should be more applicable to other types of pipelines and perhaps placed in a different paragraph of Rule 11209.

47. For gathering pipelines in Class 1, 2 and 3 areas, an operator must perform a leak detection survey at intervals not exceeding 7.5 months, but at least twice each calendar year. For gathering pipelines in Class 4 areas, an operator must perform a leak detection survey at intervals not exceeding 4.5 months but at least 4 times a year.

### 13. 11210 Leak Classification and Repair Requirements

48. Proposed Rule 11210 requires the classification of discovered leaks and sets timeframes for operators to address those leaks through repair, replacement, abandonment, or in limited circumstances, periodic monitoring. The Commission understands that pipeline operators generally use similar criteria and accepted industry practices in their current leak classification, and that there are minimum repair timeframes for hazardous leaks. Based on comments received during the stakeholder process, Proposed Rule 11210 aims to improve these practices and establish criteria for minimum environmental protections and increased public safety.

49. Proposed Rule 11210(a) requires that each operator inspect and classify reports of gas leaks within two hours of confirmed discovery and further requires that each operator estimate the leakage rate of a gas leak within 48 hours using reasonably available information to confirm the initial classification. The Commission understands that operators' current classification processes focus on hazards to persons or property and may not include leakage rate estimation. The proposed rule expands on this classification practice to ensure operators can judge the magnitude of environmental risks posed by leaks, leading to appropriate repair timeframes. At the same time, the Commission does not intend to replace an operator's focus on addressing hazardous leaks with a focus on leakage rate estimation. The requirement to estimate leakage rates includes

the timeframe of 48 hours after discovery to allow focus on leak repair, and is intended to rely on information operators would reasonably know within hours of leak discovery. For example, leakage rate estimation could be based on the physical attributes of the pipeline (*e.g.*, pipe diameter, known flow rates in the area) combined with any leak rate information obtainable by ALDT. Leakage rate estimation would not require uncovering a buried pipeline that would otherwise remain buried after 48 hours of discovery, as another example. Notably, the proposed rule has an effective date of January 1, 2027, in recognition that operators will need time to bring their leak classification processes into compliance.

50. Proposed Rule 11210(a)(I) provides leak classification criteria, building on the leak grades commonly used by operators to implement pipeline safety and environmental protection directives in § 40-2-115(e) and (g), C.R.S. Proposed Grade 1 is meant to be the existing Grade 1 standard, in recognition that leaks representing a hazard to persons or property should be repaired immediately, as operators currently do. Based on the experience of the Commission's Pipeline Safety Staff and stakeholder comments, operators' current Grade 1 classification effectively protects public safety and does not justify additional criteria. Proposed Grades 2 and 3 include criteria meant to identify environmental harms not considered under current classification practices. Grade 2 leaks would represent greater environmental harm than Grade 3 leaks, and as discussed below, would require repair sooner than Grade 3 leaks. Proposed Grade 3 leak criteria recognizes that even small leaks can present material environmental harm and can degrade into higher risk leaks when left unrepaired or unmonitored.

51. Specifically, proposed Grade 1 leaks in subparagraph 11210(a)(I)(A) are those that represent an existing or probable hazard to persons or property, requiring immediate repair or continuous action until the conditions are no longer hazardous.

52. Proposed Grade 2 leaks in subparagraph 11210(a)(I)(B) are those that are non-hazardous at the time of detection, but which justify scheduled repair based on probable future hazard. Grade 2 leaks would include each of the following: (i) any leak with an estimated leakage rate of 5kg per hour or more; (ii) any leak of LPG, hydrogen gas, or carbon dioxide; and (iii) any leak that justifies scheduled repair within 6 months or less. We specifically seek comment on the criteria proposed in this subparagraph, including whether the proposed leakage rate threshold appropriately balances mitigation of environmental harm with the potential cost of compliance.

53. Proposed Grade 3 leaks in subparagraph 11210(a)(I)(C) are those that are non-hazardous at the time of detection and are reasonably expected to remain non-hazardous, and are not Grade 1 or Grade 2 leaks. Proposed Grade 3 leaks include leaks identified due to any reading of gas outside of the pipe. Coupled with the repair timeframe of 24 months discussed below, this proposal aims to decrease the environmental harm posed by small leaks that may leak interminably and the risks associated with leaks that could develop into public safety hazards, while balancing compliance costs for operators.

54. Proposed Rule 11210(b) specifies minimum requirements for operators to address identified leaks, depending on the leak grade classification. In recognition that operators will require lead time to bring their repair programs into compliance with new requirements, the proposed rule includes an effective date of January 1, 2027. These proposed repair timelines result from extended discussions in the Commission's pre-rulemaking stakeholder processes. We acknowledge that some stakeholders advocated for shorter timelines than we propose here. However, while we intend that the repair timelines resulting from this rulemaking will meet public safety and environmental protection needs, we also intend repair timelines will impose a reasonable cost and burden on operators, which will be subject to repair timeline rules for all leaks

the first time. If appropriate to improve upon public safety and protection of the environment, the Commission could consider further repair timeline changes in future rulemakings. Additionally, other states have approached leak repair requirements in a significantly different way. For example, Nevada requires that all identified leaks be addressed immediately, and has had notable success with this approach.[18] We seek comment on whether an alternative approach to leak repairs would be appropriate in light of our statutory directives and costs on operators and ultimately utility ratepayers.

55. Proposed subparagraph 11210(b)(I) requires repair of Grade 1 leaks immediately, until the conditions are no longer hazardous. As with Grade 1 leak criteria, this proposal aims to capture current operator repair practices, based on guidance of the Gas Pipeline Technical Committee. Again, based on the experience of the Commission's Pipeline Safety Staff and stakeholder comments, operators' current Grade 1 repair practice effectively protects public safety and does not justify changes.

56. Proposed subparagraph 11210(b)(II) requires repair of Grade 2 leaks within 6 months of confirmed discovery. Coupled with the Grade 2 leak criteria, we aim to appropriately balance environmental protection and public safety with the burden and cost to operators. The proposed repair requirement includes an alternative provision for when the ground is frozen or inaccessible, but requires additional monitoring if that situation occurs.

57. Proposed subparagraph 11210(b)(III) requires monitoring and evaluation of Grade 3 leaks at least every 6 months after discovery, and allows for longer repair timelines than other leak grades. As proposed, if the pipeline is not scheduled for abandonment within 5 years of discovery, the leak must be repaired within 24 months. If the pipeline is scheduled for

18 https://puc.nv.gov/Safety/Pipeline/ under PUCN Annual Leak Detection Surveys.

abandonment within 5 years of discovery, the operator may monitor and evaluate the leak at least every 6 months instead of repairing the leak. This last provision recognizes that the cost of repairing or replacing pipelines with small leaks may not be justified if the line will soon be abandoned, particularly in light of public policy discussions surrounding the future of the natural gas system.

58. Proposed subparagraph 11210(b)(IV) states that leak repair can include repair, replacement, or abandonment. Proposed subparagraph 11210(b)(V) states for clarity and in accordance with other provisions in the Pipeline Safety Rules, that small operators not subject to other repair timeline rules shall classify all leaks as Grade 1 and repair immediately.

**E. Conclusion**

59. The Commission refers this matter to an ALJ for a recommended decision. The ALJ will hold a hearing on the proposed rules at the below-stated time and place. In addition to submitting written comments, participants will have opportunity to present comments orally at the hearing, unless the ALJ deems oral presentations unnecessary. The Commission will consider all comments submitted in this Proceeding, whether oral or written.

60. The Commission invites comments from interested persons on these proposed revisions to the Pipeline Safety Rules. The Commission prefers and encourages that comments be filed in this Proceeding through the Commission's Electronic Filings (E-Filings) System at: https://www.dora.state.co.us/pls/efi/EFI.homepage.

61. The Gas Pipeline Safety Rules are provided in legislative (*i.e.,* strikeout/underline) format (Attachment A), and clean format as well (Attachment B). The attachments are available through the Commission's E-Filings System at: https://www.dora.state.co.us/pls/efi/EFI.Show_Docket?p_session_id=&p_docket_id=25R-0280GPS.

62. Written comments, including redlines to the proposed rules, may be provided at any time. However, initial comments are requested by July 22, 2025, with responsive comments requested on or before July 29, 2025.

63. The Commission refers this Proceeding to an ALJ, who will hold a hearing on the proposed rules at the stated time and place. Interested persons may provide oral comments at the public hearing unless the ALJ deems oral presentations necessary.

64. The Commission recognizes the direction in HB 25-1280 to "adopt rules related to pipeline safety and repair and the use of advanced leak detection technology" by November 1, 2025. While we are hopeful that this rulemaking proceeding could result in final rules by that date, the Commission may consider whether temporary rules are necessary as November 1, 2025 approaches.

## II. ORDER

### A. The Commission Orders That

1. This Notice of Proposed Rulemaking (including Attachment A and Attachment B) shall be filed with the Colorado Secretary of State for publication in the July 10, 2025, edition of *The Colorado Register*.

2. This matter is referred to an Administrative Law Judge ("ALJ") for the issuance of a Recommended Decision.

3. Interested persons may file written comments in this matter. The Commission requests that initial pre-filed comments be submitted no later than July 22, 2025, and any pre-filed comments responsive to the initial comments be submitted no later than July 29, 2025. The Commission will consider all submissions, whether oral or written. The Commission prefers that comments be filed using its E-Filing System at:

https://www.dora.state.co.us/pls/efi/EFI.homepage.

4. A remote hearing on the proposed rules and related matters shall be held as follows:

DATE: August 5, 2025

TIME: 11:30 a.m. to 5:00 p.m. or until concluded.

PLACE: By video conference using Zoom at a link provided in the calendar of events posted on the Commission's website: Colorado.gov/dora/puc

5. At the time set for hearing in this matter, interested persons may submit written comments and may present these orally unless the ALJ deems oral comments unnecessary.

6. This Decision is effective upon its Issued Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING June 25, 2025.**

(S E A L)

ATTEST: A TRUE COPY

Rebecca E. White,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

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MEGAN M. GILMAN

TOM PLANT

Commissioners