

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF COLORADO

DOCKET NO. 11R-364GPS

IN THE MATTER OF THE PROPOSED RULES FOUND IN THE RULES REGULATING
GAS UTILITIES AND PIPELINE OPERATORS, 4 CODE OF COLORADO REGULATIONS
723-4.

NOTICE OF PROPOSED RULEMAKING

Mailed Date: April 22, 2011

Adopted Date: April 20, 2011

I. BY THE COMMISSION

A. Statement

1. The Commission hereby issues this Notice of Proposed Rulemaking (NOPR) regarding amendments to the rules relating to the gas pipeline safety program, which rules are part of the Rules Regulating Gas Utilities and Pipeline Operators, 4 *Code of Colorado Regulations* (CCR) 723-4. A copy of the proposed rules in legislative format is attached to this NOPR and is available on the Commission's website.

2. This NOPR amends the existing state pipeline safety rules by adopting federal amendments up to October 1, 2010.

3. Generally, the basis and purpose of the proposed rules is to bring the Gas Pipeline Safety Rules up to date and in compliance with amended safety rules promulgated by the U.S. Department of Transportation, 49 U.S.C. § 60105 *et seq.* The proposed rules also modify various definitions, update the emergency waiver procedures to parallel the regulations promulgated by the Pipeline and Hazardous Materials Safety Administration, and modify the

incident and annual reporting requirements. The statutory authority for these rules is set forth in §§ 40-2-108, 40-2-115, 40-7-117, C.R.S.

4. Rules not specifically discussed in this NOPR do not constitute a portion of this NOPR. The Commission is not proposing any changes to the rules not specifically discussed in this NOPR.

5. The proposed amendments will be published in the May 10, 2011 edition of *The Colorado Register*. Additionally, interested persons may acquire a copy of the proposed amendments through the Commission's Electronic filing system or by contacting the Administrative Support Section through Elizabeth Hayes at 303-894-2884 or Elizabeth.Hayes@dora.state.co.us.

6. An administrative law judge (ALJ) will conduct a hearing on these proposed rules and related issues at the below stated time and place. Interested persons may submit written comments on the rules, including data, views, or arguments, and present these orally at hearing unless the ALJ deems oral presentations unnecessary. The Commission also encourages interested persons to submit written comments before the hearing scheduled in this matter. In the event interested persons wish to file comments before the hearing, the Commission requests that such comments be filed no later than June 3, 2011. Reply comments should be submitted by June 17, 2011. The Commission prefers that interested persons submitting comments do so through the Commission's Electronic Filing System. The Commission will consider all submissions, whether oral or written.

7. In submitting comments or replies, interested persons are invited to suggest changes that will make the subject rules more efficient, rational, or meaningful.

We recognize that regulation imposes costs; therefore, suggestions concerning rules that may be unnecessary or unduly burdensome will be fully considered by the Commission.

II. ORDER

A. The Commission Orders That:

1. This Notice of Proposed Rulemaking shall be filed with the Colorado Secretary of State for publication in the May 10, 2011 edition of *The Colorado Register*.

2. A Hearing on the proposed rules and related matters shall be held before an Administrative Law Judge (ALJ) as follows:

DATE: June 28, 2011
TIME: 9:00 a.m.
PLACE: Commission Hearing Room
1560 Broadway, Suite 250
Denver, Colorado

3. The ALJ may set additional hearings to continue the discussion and comment, if necessary.

4. 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. Interested persons may file written comments in this matter before hearing. The Commission prefers that such pre-filed comments be submitted through the Commission's Electronic Filing System no later than June 3, 2011. Reply comments should be submitted by June 17, 2011.

5. This Order is effective upon its Mailed Date.

**B. ADOPTED IN COMMISSIONERS' WEEKLY MEETING
April 20, 2011.**

(S E A L)



ATTEST: A TRUE COPY

A handwritten signature in cursive script that reads "Doug Dean".

Doug Dean,
Director

THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF COLORADO

JAMES K. TARPEY

MATT BAKER

Commissioners

CHAIRMAN RONALD J. BINZ
RESIGNED EFFECTIVE APRIL 8, 2011.

COLORADO DEPARTMENT OF REGULATORY AGENCIES

Public Utilities Commission

4 CODE OF COLORADO REGULATIONS (CCR) 723-4

PART 4

RULES REGULATING GAS UTILITIES AND PIPELINE OPERATORS

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BASIS, PURPOSE, AND STATUTORY AUTHORITY.

The basis and purpose of these rules is to set forth rules describing the service to be provided by jurisdictional gas utilities and master meter operators to their customers and describing the manner of regulation over jurisdictional gas utilities, master meter operators, and the services they provide. These rules address a wide variety of subject areas including, but not limited to, service interruption, meter testing and accuracy, safety, customer information, customer deposits, rate schedules and tariffs, discontinuance of service, master meter operations, transportation service, flexible regulation, procedures for administering the Low-Income Energy Assistance Act, cost allocation between regulated and unregulated operations, recovery of gas costs, and appeals regarding local government land use decisions. The statutory authority for these rules can be found at §§ 29-20-108, 40-1-103.5, 40-2-108, 40-2-115, 40-3-102, 40-3-103, 40-3-104.3, 40-3-111, 40-3-114, 40-3-101, 40-4-101, 40-4-106, 40-4-108, 40-4-109, 40-5-103, 40-7-117, and 40-8.7-105(5), C.R.S.

* * *

[indicates omission of unaffected rules]

GAS PIPELINE SAFETY

General Provisions

4900. Scope and Applicability.

- (a) The gas pipeline safety rules prescribe requirements for construction, operation, and maintenance of pipeline facilities, and for reporting by operators. Pursuant to these rules, the Commission conducts its pipeline safety program activities under 49 U.S.C. § 60105 and § 40-2-101, C.R.S. The statutory authority permitting the Commission to enter into cooperative agreements with federal agencies, to adopt and to create rules to administer and to enforce 49 U.S.C. §§ 60101, et seq., can be found at §§ 40-2-115 and 40-7-117, C.R.S.
- (b) Rules 4900 through ~~4999~~ 4970 apply to, establish, and govern the:
 - (I) Reporting by operators of gas pipeline systems of incidents, gas related events, safety-related conditions, damage statistics, notice of major projects, and annual pipeline summary data. [rules 4910 through 4929].
 - (II) Enforcement by Staff of the Rules Regulating Gas Pipeline Safety [rules 4930 through 4949].
 - (III) Adoption of minimum safety standards for transportation of natural gas and other gas by pipeline, specific requirements for rural gathering, procedural updates, and amendment of plans or procedures, [rules 4950 through 4959].
 - (IV) Adoption of minimum safety standards for liquefied natural gas facilities [rules 4960 through 4969].
 - (V) Adoption and enforcement of a drug and alcohol-testing program [rules 4970 through 4999].
- (c) Nothing in these rules shall be construed to exempt interstate or gathering pipeline operators from complying with § 9-1.5-105, C.R.S.

4901. Definitions.

The following definitions apply to rules 4900 through 4999, except where a specific statute or rule provides otherwise or where the context otherwise indicates. In the event of a conflict between these definitions and a statutory definition, the statutory definition shall apply.

- (a) "Chief" means the program manager of the Gas Pipeline Safety Section of the Commission.
- (b) "Damage," when used in reference to a pipeline, means the penetration or destruction of any protective coating of an underground pipeline, the partial or complete severance of an underground pipeline, or the denting or puncturing of an underground pipeline.
- (c) "Damage prevention program" means an operator's written program to prevent damage to a pipeline by excavation, as defined in 49 C.F.R. § 192.614.

- (d) "Direct sales meter" means a meter that measures the transfer of gas to a direct sales customer purchasing gas for its own consumption.
- (e) "Direct sales pipeline" means a pipeline not under the jurisdiction of the Federal Energy Regulatory Commission and which runs from an intrastate or interstate transmission pipeline, a production facility, or a gathering pipeline to a direct sales meter ~~or to the direct sales customer's property line, pressure regulator, or emergency valve,~~ whichever is the furthest downstream.
- (f) "Distribution pipeline" means a pipeline other than a transmission pipeline or a gathering pipeline.
- ~~(g) "Emergency repair" means a pipeline repair requiring immediate action where either: (I) The pipeline is a transmission pipeline and the MAOP produces a hoop stress at or above 20 percent SMYS, or (II) The pipeline is a gathering pipeline that operates at or above 125 psig.~~
- ~~(h)~~ (hg) "Excavation" means the moving or removing of earth by means of any tools, equipment, or explosives and includes (without limitation) auguring, boring, backfilling, ditching, drilling, grading, plowing-in, pulling-in, ripping, scraping, trenching, or tunneling.
- (ih) "Gas" means natural gas, flammable gas, toxic or corrosive gas, and petroleum gas.
- (ji) "Gathering pipeline" means a pipeline that transports gas from a current production facility to a transmission pipeline or main.
- (kj) "Hazardous facility" means a pipeline facility that, if allowed to go into operation or to remain in operation, would be hazardous to life and property.
- ~~(lk) "Immediate repair" means a pipeline repair requiring immediate or emergency action where either: (I) the pipeline is a transmission pipeline and the MAOP produces a hoop stress at or above 20 percent SMYS, or (II) the pipeline is a gathering pipeline that operates at or above 125 psig.~~
- (l) "Incident" means a release of gas from a pipeline covered by 49 C.F.R. § 192.1, or a release of liquefied natural gas or gas from an LNG facility, which results in any of the following:
- (I) Death or personal injury necessitating in-patient hospitalization.
 - (II) Estimated property damage of \$50,000 or more, including loss to the operator and others, or both, but excluding cost of gas lost~~the cost of gas lost to the operator or others, or both, of \$50,000 or more.~~
 - (III) An event that results in an emergency shutdown of an LNG facility.
 - (IV) An unintentional event resulting in an estimated gas loss of three million cubic feet or more.
 - ~~(V)~~ (v) An event that is significant, in the judgment of the operator, even though it does not meet the criteria of subparagraphs (I), (II), (III), or (IV) of this paragraph.

- (m) "Liquefied Natural Gas" or "LNG" means natural gas or synthetic gas which has methane (CH₄) as its major constituent and which has been changed to a liquid.
- (n) "LNG facility" means a pipeline facility that is used for liquefying natural gas or synthetic gas or for transferring, storing, or vaporizing liquefied natural gas.
- (o) "Main" means a distribution line that serves, or is designed to serve, as a common source of supply for more than one service line.
- (p) "Major project" means the construction of any new pipeline facility covered by 49 C.F.R. § 192.1, the repair, integrity assessment, or upgrade of a pipeline segment, that originally is estimated to cost one million five hundred thousand dollars or more. As used in this rule, cost includes only the direct costs associated with the construction, repair, integrity assessment, or upgrade.
- (q) "Master meter system" means a pipeline system for distributing gas within a definable area (for example, a mobile home park) where the operator or owner purchases gas from an outside source for delivery through a pipeline system to an end user.
- (r) "Municipality" means a city, town, or village in the State of Colorado.
- (s) "Natural Gas Pipeline Act" means the federal statute found at 49 U.S.C. §§ 60101, et seq., as amended.
- (t) "Operator" means a person who is engaged in the transportation of gas, or who has the right to bury underground pipeline, or who is both engaged in the transportation of gas and has the right to bury underground pipeline. "Operator" also may include an owner, such as a pipeline corporation.
- (u) "OPS" means the Office of Pipeline Safety, a unit of the Pipeline and Hazardous Materials Safety Administration (PHMSA) of the United States Department of Transportation.
- (v) "Person" means an individual, firm, joint venture, partnership, corporation, association, municipality, cooperative association, or joint stock association, and includes any trustee, receiver, assignee, or personal representative thereof.
- (w) "Pipeline" or "pipeline system" means all parts of those physical intrastate facilities through which gas moves in transportation, including, but not limited to, pipes, valves, and other appurtenances attached to pipes, compressor units, metering stations, regulator stations, delivery stations, holders, and fabricated assemblies.
- (x) "Pipeline facility" means new and existing intrastate pipelines, rights-of-way, and any equipment, facility, or building used in the transportation of gas or in the treatment of gas during the course of transportation.

- (y) "Production facility" means flowline and associated equipment used at a wellsite in producing, extracting, recovering, lifting, stabilizing, initial separating, and/or treating, initial dehydrating, disposal, and above ground storing of liquid hydrocarbons, associated liquids, and associated natural hydrocarbon gases. A production facility may include flowlines up to a central delivery point directly associated with a specific producing field. To be a production facility under this definition, a flowline must be used in the process of extracting hydrocarbons and associated liquids from the ground or from facilities where hydrocarbons are produced or must be used for disposal or injection in reservoir maintenance or recovery operations.
- (z) "Propane gas system" means a pipeline system serving ten or more structures from a single tank.
- (aa) "Roadway" means a main public artery, highway, or interstate highway.
- (bb) "Service line" means a distribution line that transports gas, or is designed to transport gas, from a common source of supply to an individual customer, to two adjacent or adjoining residential or small commercial customers, or to multiple residential or small commercial customers served through a single meter header or manifold. A service line ends at the outlet of the customer meter or at the connection to a customer's piping, whichever is furthest downstream, or at the connection to customer piping if there is no meter.
- (cc) "Service regulator" means the device on a service line that controls the pressure of gas delivered from a higher pressure to the pressure provided to the customer. A service regulator may serve one customer or multiple customers through a meter header or manifold.
- (dd) "Specified Minimum Yield Strength" or "SMYS" means:
 - (I) For steel pipe manufactured in accordance with a listed specification, the yield strength specified as a minimum in that specification.
 - (II) For steel pipe manufactured in accordance with an unknown or unlisted specification, the yield strength determined in accordance with 49 C.F.R. § 192.107(b).
- (ee) "Staff" means the Staff of the Gas Pipeline Safety Section of the Commission.
- (ff) "Transmission pipeline" means a pipeline, other than a gathering pipeline or distribution pipeline, that does one of the following:
 - (I) Transports gas from a gathering pipeline or storage facility to a distribution center, or storage facility.
 - (II) Operates at a hoop stress of 20 percent or more of SMYS.
 - (III) Transports gas within a storage field.
 - (IV) Is a direct sales pipeline serving a large volume customer not downstream of a distribution center, which may include, but not be limited to, factories and power plants.

- (gg) "Transportation of gas" means the gathering, transmission, distribution, or storage of gas within the State of Colorado that is not subject to the jurisdiction of the Federal Energy Regulatory Commission under the Natural Gas Act.

4902. Incorporation by Reference.

- (a) The Commission adopts by reference the minimum federal safety standards for the transportation of natural gas and other gas by pipeline of the OPS that are published in 49 C.F.R. Part 192 (October 1, 2007~~10~~10). This incorporation by reference does not include later amendments to, or editions of, 49 C.F.R. Part 192.
- (b) The Commission adopts by reference the federal safety standards for liquefied natural gas facilities of the OPS that are published in 49 C.F.R. Part 193 (October 1, 2007~~10~~10). This incorporation by reference does not include later amendments to, or editions of, 49 C.F.R. Part 193.
- (c) The Commission hereby adopts by reference the drug and alcohol testing program of the OPS published in 49 C.F.R. Parts 40 and 199 (October 1, 2007~~10~~10). This incorporation by reference does not include later amendments to, or editions of, 49 C.F.R. Parts 40 and 199.
- (d) Any material incorporated by reference in this rule may be examined at the offices of the Commission, 1560 Broadway, Suite 250, Denver, Colorado 80202, during normal business hours, Monday through Friday, except when such days are state holidays. Certified copies of the incorporated standards shall be provided at cost upon request. The Director or the Director's designee will provide information regarding how the incorporated standards may be examined at any state public depository library.

4903. Conflict.

In the event of a conflict between the provisions of 49 C.F.R. Parts 40, 192, 193, or 199 and the rules 4900 through 4999 regarding the administrative, the enforcement, and the reporting requirements, the rules 4900 through 4999 shall apply.

4904. Interpretation.

- (a) An operator may request a regulatory interpretation of any of these rules by submitting a written request to the Chief. The requestor shall include his or her return address and the specific application and rule reference with the request.
- (b) After a request for interpretation is received, the Chief will notify the requestor of the disposition of the request and if additional information is required.
- (c) If the request is consistent with the state pipeline safety program and is justified, the Chief will provide the Federal Administrator for Pipeline Safety a written recommendation with terms and conditions as are appropriate.
- (d) The interpretation is effective upon approval by the Federal Administrator for Pipeline Safety or, no action is taken by the Federal Administrator for Pipeline Safety, 60 days after the receipt of the recommendations from the Chief.

4905. ~~Waiver~~Special Permit.

- (a) The Commission may grant a request for a special permit authorizing a variance from waiver of any of these rules in accordance with -§ 40-2-115, C.R.S., 49 U.S.C. § 60118(c), and the Commission's Rules Regulating of Practice and Procedure.
- (b) Under § 40-2-115, C.R.S. and 49 U.S.C. § 60118(c) the ~~Public Utilities~~ Commission has the authority to grant special permits in emergency situations. An emergency special permit will be granted if it is in the public interest, is not inconsistent with pipeline safety, and is necessary to address an actual or impending emergency involving pipeline transportation, including an emergency caused by a natural or manmade disaster. An emergency pipeline special permit is an order by which the Commission may temporarily modify compliance with state pipeline regulations for affected pipeline owners or operators and the Commission may waive compliance with a safety regulation if, after receiving notice, the OPS concurs in the action.
 - (~~e~~i) The Commission will determine on a case-by-case basis what duration is necessary to address the emergency. However, as required by statute, no emergency special permit may be issued for a period of more than 60 days. Each emergency special permit will automatically expire on the date stated on the permit.
 - (~~d~~ii) Each request should include the following information:
 - (~~I~~A) Name of requestor and indication of whether requestor is an owner or operator;
 - (~~H~~B) Duration of the emergency special permit;
 - (~~III~~C) Specific regulations from which the owner or operator seeks relief;
 - (~~IV~~D) An explanation of the actual or impending emergency;
 - (~~V~~E) Specific reasons the special permit is necessary (e.g., lack of accessibility, damaged equipment, gas supply or temporary by-pass);
 - (~~VI~~F) A description of the pipeline for which special permit is sought, including:
 - (~~A~~i) the mileage or footage of pipeline to be covered and the cCounties in which it is located;
 - (~~B~~ii) the year the pipeline was installed;
 - (~~C~~iii) all pipeline facilities such as pump and compressor stations that this permit will affect, and;
 - (~~D~~iv) the material, thickness, diameter and operating pressure of the pipeline.
 - (~~VII~~G) A statement indicating whether and how operating the pipeline pursuant to an emergency special permit is in the public interest (e.g., continuity of service, service restoration);

- (~~VIII~~H) Proposed alternatives to compliance with the regulation (e.g., additional inspections and tests, shortened reassessment intervals);
- (~~IX~~I) Measures to be taken after the emergency situation or permit expires-whichever comes first--to confirm long-term operational reliability of the facility, and;
- (~~X~~J) A certification that operation of the owner or operator's pipeline under the requested emergency special permit would not be inconsistent with pipeline safety.

(c) Pursuant to 49 C.F.R. § 192.1013, an operator may propose to deviate from part 192 and reduce the frequency of periodic inspections and tests on the basis of an engineering analysis and risk assessment.

(I) An alternative frequency of inspections and tests required under part 192 will be granted if it is not inconsistent with pipeline safety. For intrastate facilities, an operator must submit its proposal to Staff the Chief at least 120 days before the requested effective date. After receiving notice, Staff the Chief will confer with the OPS on the action requested by the operator. The ChiefStaff may accept the proposal, with or without conditions and limitations, on a showing that the operator's proposal, which includes the adjusted interval, will provide an equal or greater overall level of safety.

(II) An operator may implement an approved reduction in the frequency of a periodic inspection or test only where the operator has developed and implemented an integrity management program that provides an equal or improved overall level of safety despite the reduced frequency of periodic inspections.

(II) Each request should include the following information:

(A) Name of the owner or operator;

(B) Duration of the deviation proposal;

(C) Specific regulations from which the owner or operator seeks relief;

(D) A description of the pipeline for which the deviation is sought, including:

(i) the mileage or footage of pipeline to be covered and the counties in which it is located;

(ii) the year the pipeline was installed;

(iii) all pipeline facilities that this request will affect, and;

(iv) the material, thickness, diameter and operating pressure of the pipeline.

(E) Proposed alternatives to compliance with the regulation (e.g., additional inspections and tests, shortened reassessment intervals); and

(F) A certification that operation of the owner or operator's pipeline under the requested alternative frequency of periodic inspections and tests would not be inconsistent with pipeline safety.

(d) Grants and denials. If the Chief determines that the permit to deviate complies with the requirements of this rule and that the deviation from the regulation or standard is not inconsistent with pipeline safety, the Chief may grant the request, in whole or in part, on a temporary or permanent basis. Conditions may be imposed on the request if the Chief concludes that they are necessary to assure safety, or are otherwise in the public interest. If the Chief determines that the application does not comply with the requirements of this rule or that a deviation is not justified, the request for deviation will be denied. Whenever the Chief grants or denies a request for deviation, the notice of the decision will be provided to the applicant. All special permits will be posted on the PUC website at <http://www.dora.state.co.us/puc/pipesafetymain.htm>.

4906. Alert ~~Notices~~Bulletins.

An alert or advisory ~~notice~~bulletin may be disseminated to an operator based on recommendations from the National Transportation Safety Board, the OPS, or as a result of a situation which may pose a threat to pipeline systems or the public. After receiving information concerning an alert or advisory ~~notice~~bulletin, an operator shall take appropriate action to review and to revise its design, installation, and/or its operating and maintenance procedures.

4907. – 4909. [Reserved].

Filing Incident, Safety-Related Condition, ConstructionMajor Project, Damage and Locate Summary, and Annual Reports

4910. ~~Written Submission of~~ Reports.

- (a) ~~Written~~An operator must submit reports required by these rules, except notices of major projects, and ~~of~~ pipeline damage and locate summary information~~reports, electronically to the OPS at <http://opsweb.phmsa.dot.gov> as required under 49 C.F.R 191.7~~shall be filed with the Information Resources Manager, OPS.
- (b) A copy of each report ~~filed with the Information Resources Manager, submitted to the~~ OPS shall be furnished via U.S. mail, ~~or~~ emailed to the gas pipeline safety contact found on the Commission's~~PUC~~ Pipeline Safety Web-site in a .pdf searchable document, ~~or or by a facsimile to (303) 894-2065. In lieu of sending a copy of the~~ an OPS report, operators may supply operator identification number and PIN number information to permit Staff access to the OPS reporting site.
- (c) ~~Copies of the prescribed reporting forms are available, without charge, upon request. Additional copies may be reproduced and used if on the same size and kind of paper.~~

4911. Telephonic Reports.

- (a) As soon as possible after discovery, but generally not to exceed two hours after discovery, an operator ~~shall~~must telephonically report any incident to the Staff at (303) 894-2854 and to the National Response Center of the U.S. Department of Transportation at (800) 424-8802 or electronically at <http://www.nrc.uscg.mil>.
- (b) The operator of a pipeline, including a gathering pipeline in a class 1, 2, 3, or 4 area ~~operating at or above 125 psig~~, of a LNG system, of a master meter system, or of a propane system, ~~shall~~must telephonically report to the Staff at (303) 894-2854, within two hours after discovery, any of the following events:
 - (I) An ~~emergency repair~~immediate repair, as defined in paragraph 4901(~~gk~~).
 - (II) A gas leak ~~which that~~ occurs on ~~a the~~ pipeline, the LNG system, the master meter system, or the propane system and ~~which that~~ results in the evacuation of 50 or more people from a normally occupied building or property.
 - (III) A gas leak ~~which that~~ occurs on the pipeline, the LNG system, the master meter system, or the propane system and ~~which that~~ results in the closure of a roadway or railroad.
- (c) A telephonic report made pursuant to paragraphs (a) or (b) of this rule ~~shall~~must include the following information:
 - (I) The name and telephone number of the operator and the contact.
 - (II) The location of the incident or event.
 - (III) The date and time of the ~~beginning of the~~ incident or event.
 - ~~(IV) The date and time of the ending of the incident or event, if appropriate.~~
 - ~~(V) The date and time of the discovery of the incident or event.~~
 - ~~(IV)~~ The number of fatalities and personal injuries, if any.
 - ~~(V)~~ All other significant facts that are known by the person making the report that are relevant to the cause of the incident or event and the extent of the damage.
 - ~~(VI)~~ The National Response Center control number, if known.

4912. Written Reports by Operators of Distribution Systems.

- (a) Except as provided in paragraph (c) of this rule, an operator of a distribution pipeline system ~~shall file~~must submit DOTOPS Form PHMSA F 7100.1 Incident Report: Gas Distribution System an incident report on a current U.S. DOT Form PHMSA F 7100.1 with the agencies as required listed in the manner required by ~~in~~ rule 4910 as soon as possible after the ~~discovery~~detection of an incident, but not later than 30 days after ~~discovery~~detection.

- (b) After ~~filing-submitting~~ an incident report pursuant to paragraph (a) of this rule, an operator ~~shall must file-submit~~ a supplemental report ~~as required with the agencies listed in in the manner required by~~ rule 4910 if the operator obtains additional, relevant information. The operator ~~shall must file-submit~~ the supplemental report as soon as possible, but not more than 60 days after obtaining the additional information. ~~The supplemental report shall reference the original report by date and subject.~~
- (c) An operator of a master meter system or a propane gas system is not required to file an incident report.
- (d) Except as provided in paragraph (e) of this rule, an operator of a distribution pipeline system ~~shall must file-submit~~ an annual report for its intrastate pipeline ~~system on OPS Form PHMSA F 7100.1-1 Distribution system: Annual Report on a current U.S. DOT Form PHMSA F 7100.1-1 with the agencies listed as required in in the manner required by~~ rule 4910. This report shall be ~~filed-submitted~~ annually by March 15 for the preceding calendar year.
- (e) An operator of a propane gas system which serves fewer than 100 customers from a single source, a master meter system, or a LNG facility is not required to ~~file-submit~~ an annual report.

4913. Written Reports by Operators of Transmission and Gathering Systems.

- (a) An operator of a transmission pipeline system or an ~~OPS regulated~~ type A or ~~Type B~~ gathering pipeline ~~system segment~~ as defined in 49 C.F.R Part 192 ~~shall file-must submit DOT-OPS Form PHMSA F 7100.2 Transmission and Gathering system: Incident Report information an incident report on a current U.S. DOT Form PHMSA F 7100.2 with the agencies as required listed in in the manner required by~~ rule 4910 as soon as possible after the ~~discovery-detection~~ of an incident, but not later than 30 days after ~~discovery-detection~~.
- (b) After ~~filing-submitting~~ an incident report pursuant to paragraph (a) of this rule, an operator ~~shall must file-submit~~ a supplemental report ~~as required with the agencies listed in in the manner required by~~ rule 4910 if the operator obtains additional, relevant information. The operator shall ~~file-submit~~ the supplemental report as soon as possible, but not more than 60 days after obtaining the additional information. The supplemental report shall reference the original report by date and subject.
- (c) An operator of a transmission pipeline system or a ~~DOT-an OPS~~ regulated ~~type A or type B~~ gathering pipeline ~~segment(s) system~~ as defined in 49 C.F.R Part 192 ~~shall file-must submit DOT-OPS Form PHMSA F 7100.2.1-4 Transmission and Gathering system: Annual Report information an annual report for intrastate pipeline on a current U.S. DOT Form PHMSA 7100.2-1 with the agencies as required listed in in the manner required by~~ rule 4910. This report shall be ~~filed-submitted~~ annually by March 15 for the preceding calendar year.

~~4914. Filing of Separate Reports.~~

- ~~(a) An operator which is primarily engaged in gas distribution and which also operates a gas transmission pipeline system or a regulated gathering pipeline system as defined in 49 C.F.R. Part 192 shall file separate reports for each pipeline system.~~

~~(b) — An operator which is primarily engaged in gas transmission or regulated gathering pipeline system as defined in 49 C.F.R. Part 192 and which also operates a gas distribution pipeline system shall file separate reports for each pipeline system.~~

49154. Reports of Safety-Related Conditions.

- (a) Except as provided in paragraph (d) of this rule, an operator ~~shall must file submit~~ a ~~written~~ safety-related condition report ~~as required in in the manner required by rule 4910~~ on the existence of any of the following safety-related conditions with respect to a regulated pipeline in service:
- (I) In the case of a pipeline that operates at a hoop stress of 20 percent or more of its SMYS, (a) general corrosion that has reduced the wall thickness to less than that required for the maximum allowable operating pressure and (b) localized corrosion pitting to a degree where leakage might result.
 - (II) Unintended movement or abnormal loading by naturally-occurring environmental causes (for example, earthquakes, landslides, or floods) that impairs the serviceability or integrity of a pipeline.
 - (III) Any crack or other material defect that impairs the structural integrity or reliability of a LNG facility that contains, controls, or processes gas or LNG.
 - (IV) Any material defect or physical damage that impairs the serviceability of a pipeline that operates at a hoop stress of 20 percent or more of its SMYS.
 - (V) Any malfunction or operating error that causes the pressure of a pipeline or LNG facility that contains or processes gas or LNG to rise above its maximum allowable operating pressure (or working pressure for LNG facilities) plus the build-up allowed for operation of pressure limiting or control devices.
 - (VI) A leak in a pipeline or LNG facility that contains or processes gas or LNG that constitutes an emergency.
 - (VII) Inner tank leakage, ineffective insulation, or frost heave that impairs the structural integrity of a LNG storage tank.
 - (VIII) Any safety-related condition that could lead to an imminent hazard and that causes (either directly or indirectly by remedial action of the operator), for purposes other than abandonment, a 20 percent or more reduction in operating pressure or shutdown of operation of a pipeline or a LNG facility that contains or processes gas or LNG.
- (b) A ~~written~~ report of a safety-related condition ~~shall must~~ be ~~filed submitted with the Associate Administrator, Office of Pipeline Safety as in the manner required by rule 4910,~~ within five business days (not including Saturday, Sunday, or federal or State holidays) after the day on which the operator or its representative first determines that a safety-related condition exists. The report shall not be ~~filed submitted~~ later than ten business days after the day an operator or its representative discovers the condition. Separate conditions may be reported in a single ~~report~~ submission report if they are closely related.

~~On the same day that the report is filed with the Associate Administrator, Office of Pipeline Safety, the operator shall provide to Staff a copy of the report filed with the Associate Administrator, Office of Pipeline Safety. Reports may be filed with the U.S. DOT and the Staff by facsimile.~~

(c) The ~~written~~ report shall be headed "Safety-Related Condition Report" and ~~shall~~ must provide the following information:

- (I) Name and principal address of operator.
- (II) Date of report.
- (III) Name, job title, and business telephone number of the person submitting the report.
- (IV) Name, job title, and business telephone number of the person who determined that the condition exists.
- (V) Date the condition was discovered and, if different, date condition was first determined to exist.
- (VI) Location of the condition. This requires identification of the town, city, or county in which the condition exists and, as appropriate, the nearest street address, milepost, or landmark; and the name of pipeline.
- (VII) Description of the condition, of the circumstances leading to its discovery, of any significant effects the condition has on safety, and of the type of gas transported or stored.
- (VIII) Description of the corrective action taken (including reduction of pressure or shutdown) before the report was submitted.
- (IX) Description of any planned future follow-up or corrective action, including the anticipated schedule for starting and concluding such action.

(d) A written report need not be made for any safety-related condition that:

- (I) Exists on a regulated gathering system as defined by 49 C.F.R. Part 192 and where a MAOP produces a hoop stress less than 20 percent of SMYS, a master meter system, a propane gas system, or a customer-owned service line.
- (II) Is an event or results in an event which occurs before a permanent repair or replacement pertaining to an already-reported incident can be completed.
- (III) Exists on a pipeline (other than a LNG pipeline) that is more than 220 yards from any building intended for human occupancy or outdoor place of assembly, except that reports are required for conditions within the right-of-way of an active railroad or roadway.
- (IV) Is corrected by permanent repair or replacement in accordance with applicable safety standards within five business days of the day on which the operator first determines that the condition exists, but not later than ten business days after an operator or its

representative discovers the condition. This subparagraph does not apply to localized corrosion pitting on an effectively coated and cathodically protected pipeline.

49165. Reporting of Pipeline Damage and of Locate Information.

- (a) An operator of a local distribution company or municipal operated system serving greater than 50,000 customers shall must file with the Commission information concerning general known pipeline damage and general pipeline locate information annually, by March 15. This report applies to damage to underground pipelines, excluding any damage to electrically conductive tracer wire.
- (b) Each report shall include the following pipeline information:
 - (I) Total number of facility locates transmitted from the Utility Notification Center of Colorado (UNCC);
 - (II) Total number of excavation related damages to mains;
 - (III) Total number of excavation related damages to services;
 - (IV) Total number of excavation related damages to transmission pipelines;
 - (V) Total number of excavation damage due to excavation practice being insufficient;
 - (VI) Total number of excavation damage due to operator locator practice being insufficient;
 - (VII) Total number of excavation damage due to contract locator practice being insufficient;
 - (VIII) Total number of excavation damage due to no facility locate requested; and
 - (IX) Total number of excavation damage due to other reasons. A root cause explanation must be included with each reported damage under this category.
- ~~(b) The specific damage information shall contain, at a minimum, the following:~~
 - ~~(I) The location of the damaged pipeline by city and county.~~
 - ~~(II) The type of facility locate request (normal or emergency); the date of facility locate request; the date the facility was located; the date the facility was relocated, if applicable; the date the facility damage occurred, if known.~~
 - ~~(III) The name of the excavation company and the type of equipment causing the damage (for example, track hoe, backhoe, trencher, directional bore, shovel). If a homeowner caused the damage, the term "homeowner" will suffice for excavation company name.~~
 - ~~(IV) The reason for the excavation (for example, communications, sewer, water, electric, ditch maintenance, road maintenance, pipeline, landscaping, homeowner).~~
 - ~~(V) The type of pipeline damaged (service, main, or transmission).~~

~~(VI) The damage resulting from locator error or excavator error, if applicable.~~

(c) Pipeline operators are required to be Tier 1 members and report underground facility damages to the Utility Notification Center of Colorado (UNCC-Colorado 811) "Colorado Damage Reporting Tool DIRT" at <https://www.damagereporting.org/uncc>.

(d) Additional specific damage information may be requested under paragraph 4932(c).

~~(e) The report of general facility locate information shall contain the following:~~

~~(I) The number of monthly facility locate requests.~~

~~(II) The number of monthly facility locates performed by the operator.~~

~~(III) The number of monthly facility locates performed by the operator's contract facility locator.~~

49176. Filing Notices of Major Project.

(a) Written notice of a major project ~~shall~~ must be submitted to the Staff not later than 20 business days prior to the scheduled commencement date of the project, if practicable.

(b) The notice shall contain the following information:

(I) The type of construction or repair.

(II) The date of commencement.

(III) The estimated period of construction or repair.

(IV) Pipeline design specifications, and The test medium (for example, gas, inert gas, water).

(V) The location of the construction or repair.

(VI) The estimated cost of the construction or repair project.

49187. – 4929. [Reserved].

Procedure For Enforcement

4930. Service.

(a) An order, notice, complaint or other document required to be served under these rules shall be served personally or by registered or certified mail.

(b) Service upon an operator's authorized representative or agent constitutes service upon that operator.

- (c) Service by registered or certified mail is complete upon mailing. An official U.S. Postal Service receipt evidencing a registered or certified mailing constitutes prima facie evidence of service.

4931. Subpoenas.

- (a) The Commission, an Administrative Law Judge, or the Director may issue a subpoena in accordance with rule 1406.
- (b) Rule 45 of the Colorado Rules of Civil Procedure, except as provided in rule 1406 and §§ 40-6-102 and 103, C.R.S., shall govern a subpoena issued under this rule.
- (c) A subpoena issued under this rule may be enforced in the district court, as provided by § 40-6-103(2), C.R.S.

4932. Inspections and Testing.

- (a) ~~Upon presentation of Commission credentials, Staff As~~ authorized by the Chief, ~~Staff are authorized to may~~ enter upon, to inspect, and to examine, at reasonable times, an operator's ~~records, right of way or easement, new and existing piping, valves, and other above ground appurtenances attached to pipes, pipeline facility,~~ or, upon request of the OPS, ~~an~~ interstate pipeline to determine compliance with 49 U.S.C. §§ 60101 et seq., with these rules, with Commission orders, or with orders issued pursuant to these rules. If requested, Staff shall present Commission credentials at the time of the inspection.
- (b) Staff may require testing of an operator's pipeline. Staff shall make every effort to negotiate with the operator of the pipeline a mutually-acceptable testing plan before performing such tests.
- (c) If information is needed, the Chief may send the operator a request for specific information to be answered within 45 days after receipt of the request.
- (d) When information obtained from an inspection, testing, a request for specific information, or other sources indicates that enforcement action is warranted, the Chief may do one of the following:
 - (I) Serve on the operator a Warning Letter pursuant to rule 4933 or a Notice of Probable Violation pursuant to rule 4934.
 - (II) File a formal complaint with the Commission requesting a Hazardous Facilities Order pursuant to rule 4940.

* * *

[indicates omission of unaffected rules]

Safety Standards for Gas Transportation by Pipeline and Gas Pipeline Systems

4950. Compliance.

An operator shall comply with these rules and the minimum safety standards for the transportation of natural gas and other gas by pipeline which are incorporated by reference in rule 4902(a).

4951. Conversion to Service.

A pipeline previously used in service not subject to 49 C.F.R. Part 192 qualifies for service subject to 49 C.F.R. Part 192 if the operator prepares and follows a written procedure addressing the requirements of 49 C.F.R. § 192.14. The operator shall make its written procedures and applicable records available to Staff upon request.

4952. Gathering Pipeline.

(a) In addition to 49 C.F.R. § 192.9, ~~effective April 14, 2006, all gathering pipeline operators must report underground facility damages to the Utility Notification Center of Colorado (UNCC-Colorado 811) "Colorado Damage Reporting Tool DIRT" at~~ <https://www.damagereporting.org/uncc>.

(ab) Type A regulated gathering lines: An operator of metallic gathering lines where the MAOP produces a hoop stress of 20 percent or more of SMYS or non-metallic lines where the MAOP is more than 125 psig and located in a class 2, 3, or 4 location as defined in part § 192.5 shall follow the requirements of part 192 applicable to transmission pipelines, except the requirements in §192.150 and in subpart O of §192. However, an operator of a Type A gathering pipeline located in a class 2 location may demonstrate compliance with subpart N by describing the processes it uses to determine the qualifications of persons performing operation and maintenance tasks.

(bc) Type B regulated gathering lines: An operator of metallic gathering lines where the MAOP produces a hoop stress less than 20 percent of SMYS or non-metallic lines and the MAOP is at 125 psig or less, and located in a class 2, 3, or 4 location as determined by using one of three methods found in part § 192.8, must comply with the following requirements:

- (I) If a line is new, replaced, relocated, or otherwise changed, the design, installation, construction, initial inspection, and initial testing must be in accordance with requirements of part 192 applicable to transmission lines;
- (II) If the pipeline is metallic, control corrosion according to requirements of subpart I of part 192 applicable to transmission lines;
- (III) Carry out a damage prevention program under § 192.614;
- (IV) Establish a public education program under § 192.616;
- (V) Establish the MAOP of the line under § 192.619;
- (VI) Install and maintain line markers according to the requirements for transmission lines in § 192.707;

- (VII) Carry out a leakage control program according to § 192.723(b);
- (VIII) At a minimum, prepare a Procedural Manual addressing the above maintenance and operations items, and;
- (IX) Report any incident, or events as described in 4911(b), to Staff. Any hazardous leakage or conditions which may lead to a hazardous facility order shall be promptly repaired and documented.

~~(e)~~(d) Type C gathering lines: An operator of gathering lines located in a class 1 location as defined in § 192.5 or type B gathering lines located in class 2 areas that the operator determines does not meet Area 2 dwelling density in §192.8, must comply with the following requirements:

- (I) Telephonically report any incident, or events as described in 4911(b) to Staff. Any hazardous leakage or conditions which may lead to a an hazardous facility order immediate repair shall be promptly repaired and documented;
- (II) Tier 1 Member at the Utility Notification Center of Colorado if the pipeline system is located in any public road or railroad right-of-way, and;
- (III) Install and maintain pipeline markers at each crossing of a public road or railroad right-of-way, and labeled according to § 192.707(d).

4953. Procedural Updates.

As soon after the end of an incident, an emergency immediate repair, a safety-related condition, or an abnormal operating condition as defined in 49 C.F.R. § 192.803 as possible, each operator shall investigate, and shall make applicable changes to the operator qualification program, and the written procedural manual(s) used for conducting operations, for maintenance, and for emergencies. At a minimum, the operator shall review (and update, if necessary) applicable plans or procedural manual(s) at intervals not exceeding 15 months, but at least once each calendar year.

4954. Amendment of Plans or Procedures.

- (a) If the Chief determines that an operator's plans or procedures required by rules 4900 through 4999 are inadequate to assure safe operation of a pipeline facility or a LNG facility, the Chief shall issue a notice of amendment to initiate a proceeding to determine whether the plans or procedures are inadequate. The notice of amendment shall:
 - (I) Provide an opportunity for a hearing pursuant to rule 4935.
 - (II) Specify the alleged inadequacies and the proposed action for revision of the plans or procedures.
 - (III) Allow the operator 30 days after receipt of the notice to submit written comments pursuant to rule 4935 or to request a hearing.

- (b) In determining the adequacy of an operator's plans or procedures, the Chief shall consider the following:
- (I) Relevant available pipeline safety data.
 - (II) Whether the plans or procedures are appropriate for the particular type of pipeline transportation or facility and for the location of the facility.
 - (III) The reasonableness of the plans or procedures.
 - (IV) The extent to which the plans or procedures contribute to public safety.
- (c) Amendment of an operator's plans or procedures as prescribed in paragraph (a) of this rule is in addition to, and may be used in conjunction with, other enforcement action.

4955. – 4959. [Reserved].

Safety Standards for Liquefied Natural Gas Facilities

4960. Compliance.

An operator shall comply with the safety standards for liquefied natural gas facilities which are incorporated by reference in rule 4902(b).

4961. – 4969. [Reserved].

Drug and Alcohol Testing

4970. Compliance.

An operator shall comply with the drug and alcohol testing program which is incorporated by reference in rule 4902(c) applicable to 49 C.F.R. Part 192 pipeline systems.

4971. – ~~4975~~4974. [Reserved].

~~4975. [Emergency regulation expired 04/21/2010.]~~

* * *

[indicates omission of unaffected rule 4976. regarding
Regulated Gas Utility Rule Violations, Civil Enforcement, and Civil Penalties.]

4977. – 4999. [Reserved].

GLOSSARY OF ACRONYMS.

CAAM –	Cost Allocation and Assignment Manual
CCR –	Colorado Code of Regulations
C.F.R. –	Code of Federal Regulations
CPCN -	Certificate of Public Convenience and Necessity
CRCP –	Colorado Rules of Civil Procedure
C.R.S. -	Colorado Revised Statutes
EAO –	Energy Assistance Organization
e-mail -	Electronic mail
FDC -	Fully Distributed Cost
FERC –	Federal Energy Regulatory Commission
GAAP -	Generally Accepted Accounting Principles
GCA –	Gas Cost Adjustment
GPP –	Gas Purchase Plan
GPR –	Gas Purchase Report
ITP –	Intrastate Transmission Pipeline
LDC –	Local Distribution Company
LNG –	Liquefied Natural Gas
MMO –	Master Meter Operator
NGA –	Natural Gas Act
OPS –	Office of Pipeline Safety (Federal DOT)
OCC -	Office of Consumer Counsel
<u>PHMSA -</u>	<u>Pipeline and Hazardous Materials Safety Administration</u>
P & P -	Practice and Procedure
SMYS –	Specified Minimum Yield Strength
UNCC –	Utility Notification Center of Colorado
U.S.C.-	United States Code
U.S. DOT –	United States Department of Transportation
USOA –	Uniform System of Accounts

Glossary of Gas Measurement Units:

Btu –	British Thermal Unit
MMBtu –	1,000,000 Btu (approximately one Mcf, depending on heat content of gas)
Dth –	Dekatherm or One MMBtu
Therm –	100,000 Btu (approximately one Ccf, depending on heat content of gas)
Scf -	Standard cubic feet
Ccf –	100 cubic feet (typically actual cf at meter, rather than Scf)
Mcf –	1,000 standard cubic feet
MMcf –	1,000,000 standard cubic feet
Bcf –	1,000,000,000 standard cubic feet
MMcfd –	One MMcf per day