

September 30, 2025

VIA ELECTRONIC MAIL TO: tdeal@csu.org

Travas Deal
President/CEO
Colorado Springs Utilities
PO Box 1103
Colorado Springs, Colorado 80947

CPF No. 5-2024-034-NOPSO

Dear Mr. Deal:

Enclosed please find a Consent Order incorporating the terms of the Consent Agreement between the Pipeline and Hazardous Materials Safety Administration (PHMSA) and Colorado Springs Utilities, an enterprise of the City of Colorado Springs, Colorado, which was executed on September 4, 2025. Service of the Consent Order and Consent Agreement by electronic mail is deemed effective upon the date of transmission and acknowledgement of receipt, or as otherwise provided under 49 CFR § 190.5.

Thank you for your cooperation in this matter.

Sincerely,

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Enclosure: Consent Order and Consent Agreement

cc: Dustin Hubbard, Director, Western Region, Office of Pipeline Safety, PHMSA
David Beckett, Senior Attorney, Utilities Division, Office of the City Attorney for
Colorado Springs, David.Beckett@coloradosprings.gov

CONFIRMATION OF RECEIPT REQUESTED

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of

**Colorado Springs Utilities,
an enterprise of the City of Colorado Springs Colorado)**

Respondent.

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) **CPF No. 5-2024-034-NOPSO**
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CONSENT ORDER

By letter dated October 21, 2024, the Pipeline and Hazardous Materials Safety Administration (PHMSA), Office of Pipeline Safety (OPS), issued a Notice of Proposed Safety Order (Notice) to The City of Colorado Springs, Colorado. In accordance with 49 CFR § 190.239, the Notice alleged that conditions exist on the natural gas distribution system in Colorado Springs, Colorado that pose an integrity risk to public safety, property, or the environment. The Notice also proposed that the City of Colorado Springs, Colorado take certain corrective measures to remedy the alleged conditions and ensure that the public, property, and the environment are protected from the potential risk.

In response to the Notice, Colorado Springs Utilities (CSU or Respondent), an enterprise of the City of Colorado Springs, Colorado, requested an informal consultation, whereupon the parties engaged in discussions. As a result of those discussions, the Parties have agreed to a Consent Agreement that settles all of the allegations in the Notice.

Accordingly, the Consent Agreement is hereby approved and incorporated by reference into this Consent Order issued pursuant to § 190.219. CSU is hereby ordered to comply with the terms of the Consent Agreement pursuant to its terms. Pursuant to 49 U.S.C. § 60101, *et seq.*, failure to comply with this Consent Order may result in the assessment of civil penalties as set forth in 49 U.S.C. § 60122 and 49 CFR § 190.223, or in referral to the Attorney General for appropriate relief in a district court of the United States.

The terms and conditions of this Consent Order are effective upon service in accordance with 49 CFR § 190.5.

Linda Daugherty
Acting Associate Administrator
for Pipeline Safety

Date Issued

**U.S. DEPARTMENT OF TRANSPORTATION
PIPELINE AND HAZARDOUS MATERIALS SAFETY ADMINISTRATION
OFFICE OF PIPELINE SAFETY
WASHINGTON, D.C. 20590**

In the Matter of

**Colorado Springs Utilities,
an enterprise of the City of Colorado Springs, Colorado)**

Respondent.

CPF No. 5-2024-034-NOPSO

CONSENT AGREEMENT

The Director, Western Region, Office of Pipeline Safety (OPS), Pipeline and Hazardous Materials Safety Administration (PHMSA) (Director), issued to the City of Colorado Springs, Colorado by letter dated October 21, 2024, a Notice of Proposed Safety Order (Notice). In accordance with 49 CFR § 190.239, the Notice alleged that conditions exist on the natural gas distribution system in Colorado Springs, Colorado that pose a pipeline integrity risk to public safety, property, or the environment. The Notice also proposed that Colorado Springs Utilities (CSU or Respondent) Colorado take certain corrective measures to remedy the alleged conditions and ensure that the public, property, and the environment were protected from the potential risk.

CSU is an enterprise of the City of Colorado Springs, Colorado, a Colorado home rule city and municipal corporation. CSU owns and operates the natural gas distribution system referenced in the Notice. CSU is the municipal utility that provides natural gas service in and around Colorado Springs, Colorado. CSU responded on October 23, 2024, and requested an informal consultation pursuant to 49 CFR § 190.239(b)(2). The first informal consultation was held on November 14, 2024. On November 19, 2024, CSU emailed the Director by attaching its November 18, 2024 letter requesting an extension of time until January 31, 2025, to formally respond to the Notice, as well as another informal consultation. On January 27, 2025, a second informal consultation was held. On January 31, 2025, CSU provided its draft Remedial Work Plan and Leak Mitigation Plan to PHMSA. On February 12, 2025, a final informal consultation was held. In response to a request for additional information made on March 12, 2025, CSU provided additional material to PHMSA on April 3, 2025.

As a result of the informal consultation process, PHMSA and Respondent (the Parties) agree that settlement of this proceeding by entry into this Consent Agreement (Agreement) is the most appropriate means of resolving the issues raised in the Notice, will avoid further administrative proceedings or litigation, and is in the public interest. Therefore, pursuant to 49 CFR §§ 190.219 and 190.239(b)(2), without adjudication of any issue of law or fact, and upon consent and agreement, the Parties agree to the following terms and conditions.

I. General Provisions:

1. Respondent acknowledges that as the operator of the pipeline facilities subject to the Notice, Respondent and its referenced pipeline facilities are subject to the jurisdiction of the Federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations and administrative orders issued thereunder. For purposes of this Agreement, Respondent acknowledges that it received proper notice of PHMSA's action in this proceeding and that the Notice states claims upon which relief may be granted pursuant to 49 U.S.C. § 60101, *et seq.*, and the regulations and orders issued thereunder.

2. Respondent does not admit or deny any of the allegations in the Notice but agrees, for purposes of this Agreement, to address the integrity risks identified in the Notice by completing the actions specified in Section III of this Agreement (Corrective Measures) and to abide by the terms of this Agreement.

3. After Respondent returns this signed Agreement to PHMSA, the Agency's representative will present it to the Associate Administrator for Pipeline Safety, recommending that the Associate Administrator adopt the terms of this Agreement by issuing an administrative order (Consent Order) incorporating the terms of this Agreement. The terms of this Agreement constitute an offer of settlement until accepted by the Associate Administrator. Once accepted, the Associate Administrator will issue a Consent Order incorporating the terms of this Agreement.

4. Respondent consents to the issuance of the Consent Order, and hereby waives any further procedural requirements with respect to its issuance. Respondent waives all rights to contest the adequacy of notice, or the validity of the Consent Order or this Agreement, including all rights to administrative or judicial hearings or appeals, except for the Dispute Resolution provisions set forth herein.

5. This Agreement shall apply to and be binding upon PHMSA and Respondent, its officers, directors, employees, and its successors, assigns, or other entities or persons otherwise bound by law. Respondent agrees to provide a copy of this Agreement and any incorporated work plans and schedules to all of Respondent's officers, employees, and agents whose duties might reasonably include compliance with this Agreement.

6. For all transfers of ownership or operating responsibility of Respondent's pipeline system referenced herein, Respondent will provide (a) a copy of this Agreement to the prospective transferee at least 30 calendar days prior to such transfer and (b) written notice of the transfer to the Director no later than 60 calendar days after the transfer occurs.

7. This Agreement constitutes the final, complete, and exclusive agreement and understanding between the Parties with respect to the allegations in the Notice and the settlement embodied in this Agreement. The Parties acknowledge that there are no representations, agreements or understandings relating to settlement other than those expressly contained in this Agreement, except that the terms of this Agreement may be construed by reference to the Notice. The terms of this Agreement will control in the event of conflict.

8. Nothing in this Agreement affects or relieves Respondent of its responsibility to comply with all applicable requirements of the Federal pipeline safety laws, 49 U.S.C. § 60101, *et seq.*, and the regulations and orders issued thereunder. Nothing in this Agreement alters PHMSA's right of access, entry, inspection, and information gathering or PHMSA's authority to bring enforcement actions against Respondent pursuant to the Federal pipeline safety laws, the regulations and orders issued thereunder, or any other provision of applicable Federal or State law.

9. This Agreement does not waive or modify any Federal, State, or local laws or regulations that are applicable to Respondent's pipeline systems. This Agreement is not a permit, or a modification of any permit, under any Federal, State, or local laws or regulations. Respondent remains responsible for achieving and maintaining compliance with all applicable Federal, State, and local laws, regulations and permits.

10. This Agreement does not create rights in, or grant any cause of action to, any third party not party to this Agreement. Pursuant to Colorado Springs City Code Section 12.1.109, all contracts executed in the name of "Colorado Springs Utilities", including this Agreement, shall be interpreted or construed by any reviewing body as having been executed by the City of Colorado Springs on behalf of CSU. The U.S. Department of Transportation is not liable for any injuries or damages to persons or property arising from acts or omissions of Respondent or its officers, employees, or agents carrying out the work required by this Agreement. The U.S. Department of Transportation, its officers, employees, agents, and representatives shall not be liable for any cause of action arising from any acts or omissions of Respondent or its contractors in carrying out any work required by this Agreement.

11. This Agreement does not constitute a finding of violation of any Federal law or regulation and may not be used in any civil proceeding of any kind as evidence or proof of any fact, fault or liability, or as evidence of a violation of any law, rule, regulation, or requirement, except in a proceeding to enforce the provisions of this Agreement.

II. Definitions:

12. “Affected Pipeline System” means CSU’s natural gas distribution system composed of 2,781.413 miles of main lines and 188,199 service lines, as noted in its 2024 Gas Distribution Annual Report.

13. “Affected Pipe” means (a) the coated unprotected steel main lines and services lines and (b) the bare unprotected steel main lines and service lines within CSU’s Affected Pipeline System.

14. The “Director” means the Director, Western Region, OPS, PHMSA

III. Corrective Measures:

15. ***Prioritization Process.*** Within 75 calendar days of the *Effective Date* of this Agreement, CSU shall prioritize the Affected Pipe for mitigation in accordance with its Distribution Integrity Management Plan (DIMP). The prioritization process will consider the following factors:

- A. Risk Model Results: CSU will calculate risk on the Affected Pipe using Gas Technology Institute’s (GTI) Distribution Risk Assessment Model (DRAM). CSU will use DRAM to assess and prioritize pipelines for mitigation, taking into account factors such as leak frequency, pressure, piping location, and proximity to structures. CSU will prioritize mitigating the Affected Pipe with the highest risk as identified by DRAM.
- B. Geography: CSU’s Risk Model results will be subdivided, as appropriate, by pressure districts, isolation areas, or individual assets. The implementation of full block renewals will depend on the density and location of high-risk assets.
- C. Other Considerations: Factors such as permitting, customer cooperation, and the involvement of political or government entities will be taken into account. CSU will also validate the risk model results through a review by CSU’s Subject Matter Experts (SMEs). This validation process ensures that the results reflect the expertise and judgment of CSU’s SMEs.
- D. Revisions to the Prioritization Process: CSU may revise the Prioritization Process as necessary to incorporate new information obtained during the evaluations and associated remedial activities per Provision 19.

16. ***Remedial Work Plan.*** Immediately following the *Effective Date* of this Agreement, CSU must follow the Remedial Work Plan set forth below:

- A. Identification of All Affected Pipe: CSU must continue performing data analysis and field data collection to identify pipe segments within the scope of Affected Pipe. CSU has identified the following as part of Affected Pipe as defined within its 2024 Gas Distribution Annual Report:

- 1.24 Miles of Bare Unprotected Steel Mains
- 0.004 Miles of Coated Unprotected Steel Mains
- 3624 Bare Unprotected Steel Services
- 1520 Coated Unprotected Steel Services

On a quarterly basis, as required in Provision 18, CSU must notify PHMSA of any changes to the identification of all Affected Pipe.

- B. Identification of Remedial Actions Necessary to Address Integrity Risks on All Affected Pipe: CSU will implement the necessary remedial actions to fully address the identified risk conditions for all Affected Pipe, in accordance with the schedule outlined in Provision 16, Paragraph C. The following methods will be utilized to ensure effective remediation:

- Install additional cathodic protection (CP) measures or verify existing CP
- Recoating of pipe segments or verify existing coating
- Replacement of Affected Pipe

On a quarterly basis, as required in Provision 18, CSU must notify PHMSA of all remedial actions taken to address integrity risks on all Affected Pipe.

- C. Schedule to Remediate Identified Affected Pipe: CSU will remediate known Affected Pipe within a 10-year remediation schedule. The schedule for replacement, repair, or remediation is outlined as follows:

Year	Cumulative Mains Replaced or Cathodically Protected	Cumulative Services Replaced or Cathodically Protected
2025	5%	5%
2026	20%	12%
2027	50%	24%
2028	80%	37%
2029	100%	52%
2030		65%
2031		77%
2032		87%
2033		95%
2034		100%

On a quarterly basis, as required in Provision 18, CSU must provide PHMSA with progress updates on the 10-year remediation schedule and notify PHMSA if CSU is unable to meet the schedule, including explanations for any delays. CSU may include in the required report when it has identified a risk of not meeting the schedule, and any explanation relating to the identified risk.

- D. Risk Assessment and Mitigation Prioritization: CSU will conduct its risk assessment and mitigation prioritization according to its DIMP. CSU will remediate 30 of the 40 service lines with the highest risk scores each year starting in 2026. Analysis of the non-remediated service lines will take place at the beginning of each calendar year and be reported as part of the previous year's 4th quarterly report (i.e., the 40 remaining service lines with the highest risk score to be targeted for remediation in 2026 will be identified in the 2025 Q4 report submitted to PHMSA on or before January 31, 2026). Further, CSU may adjust its prioritization of remediation work as necessary to incorporate new information obtained during the evaluations and associated remedial activities.
- E. Additional Testing Schedule and Requirements for Ongoing Long-Term Periodic Testing: CSU will monitor for conditions described in the Notice in accordance with its DIMP. CSU will continue to collect data during routine operations, such as when pipelines are exposed for any reason (e.g., during maintenance, construction, keyholing, or other operational activities). The Gas Condition Assessment Program will be implemented annually, with at least 75 target inspections for field verification, based on the DIMP Risk Model's results or when data gaps are identified within GIS data sets. These targeted inspections will be focused on areas with high risk or those where previous data is either lacking or questionable.
- F. Revisions to the Remedial Work Plan: CSU may revise the Remedial Work Plan as necessary to incorporate new information obtained during the evaluations and associated remedial activities per Provision 19.

17. ***Leak Mitigation Plan.*** Following the *Effective Date* of this Agreement, CSU must follow the Leak Mitigation Plan set forth below:

- A. Leak Survey: CSU will conduct an annual leak survey on all Affected Pipe utilizing existing equipment and methods until all assets are either remediated or replaced. On a quarterly basis, as required in Provision 18, CSU must notify PHMSA of any leaks on all Affected Pipe.
- B. Leak Classification: CSU will conduct an internal audit of its leak grading policy in the Operations and Maintenance Manual in 2025 to ensure it aligns with Gas Piping Technology Committee (GPTC) guidance (2022 Edition).

- C. Leak Repair: CSU must repair identified leaks on Affected Pipe in accordance with the following: CSU will take continuous and immediate action to fully repair or replace assets with Grade 1 leaks or otherwise ensure conditions are no longer hazardous. If a temporary mitigative measure is taken to ensure the leak is no longer hazardous, the leak shall be fully repaired within 15 months. CSU will fully repair or replace assets with Grade 2 leaks within 15 months from the date of discovery. CSU will monitor Grade 3 leaks on affected pipe at a minimum of every 15 months until the leak is regraded or no longer results in a reading. On a quarterly basis, as required in Provision 18, CSU must provide PHMSA with status updates on leak repairs for all Affected Pipe and notify PHMSA if CSU was unable to meet the commitments, including explanations for any delays.
- D. Revisions to the Leak Mitigation Plan: CSU may revise the Leak Mitigation Plan as necessary to incorporate new information obtained during the evaluations and associated remedial activities per Provision 19.

18. **Reporting.** Following the *Effective Date* of this Agreement, CSU must report to PHMSA on a quarterly basis the results of its Remedial Work Plan and Leak Mitigation Plan, including but not limited to:

- A. Changes to all Affected Pipe classification.
- B. Remedial actions taken to address integrity risks on all Affected Pipe or mitigation measures that result in a material or CP category change, until all Affected Pipe are remediated.
- C. Progress updates on the 10-year remediation schedule, including explanations for any delays if CSU has identified a risk of not meeting the schedule or is unable to meet the schedule outlined in Provision 16, Paragraph C.
- D. The results of new risk model updates, which results will produce the then-current prioritization of remediation work.
- E. The presence of any leaks on any of the Affected Pipe, the grade of those leaks, and the age (described in aging days and/or months) of the active leaks.
- F. Status updates on repaired leaks, including explanations for any delays if CSU was unable to meet the commitments.

CSU must submit these reports no later than the last day of the month following the close of a quarter (i.e., 2nd quarter status report would be due no later than July 31st).

19. **Revisions.** Following the *Effective Date* of this Agreement, CSU must submit in writing any proposed revisions to the Prioritization Process, Remedial Work Plan, and Leak Mitigation Plan to the Director in accordance with Section IV of this agreement and await a written approval before implementation of the requested revision. The Director's determination

will not be unreasonably delayed. Documentation will include the reason(s) for revision(s), applicable data or findings, and, if applicable, an amended schedule for risk mitigation.

20. ***Extensions of Time.*** The Director may grant an extension of time for compliance with any of the terms of this Agreement upon a written request timely submitted demonstrating good cause for the extension. The Director shall respond in writing to any such request within 30 calendar days.

IV. Review and Approval Process:

21. With respect to any submission under Section III (Corrective Measures) of this Agreement that requires the approval of the Director, the Director may: (a) approve, in whole or in part, the submission; (b) approve the submission on specified, reasonable conditions; (c) disapprove, in whole or in part, the submission; or (d) any combination of the foregoing. If the Director approves, approves in part, or approves with conditions, Respondent will take all actions as approved by the Director, subject to Respondent's right to invoke the dispute resolution procedures with respect to any conditions the Director identifies. If the Director disapproves all or any portion of the submission, the Director will provide Respondent written notice of the deficiencies, subject to Respondent's right to contest the disapproval through the dispute resolution procedures. Respondent will correct all deficiencies within the time specified by the Director and resubmit the submission for approval.

V. Dispute Resolution:

22. The Director and Respondent will informally attempt to resolve any disputes arising under this Agreement, including any decision of the Director under the terms of Section III (Corrective Measures). If Respondent and the Director are unable to informally resolve the dispute within 30 calendar days after the dispute is first raised, in writing, to the Director, Respondent may submit a written request for a determination resolving the dispute from the Associate Administrator for Pipeline Safety, PHMSA. Such request must be made in writing and provided to the Director, counsel for the Western Region, and to the Associate Administrator for Pipeline Safety, no later than 15 calendar days from the 30-day deadline for informal resolution referenced in this Provision. Along with its request, Respondent must provide the Associate Administrator with all information Respondent believes is relevant to the dispute. Decisions of the Associate Administrator under this Provision will constitute final agency action, subject to judicial review pursuant to 49 U.S.C. § 60119. The existence of a dispute and PHMSA's consideration of matters placed in dispute will not excuse, toll, or suspend any term or timeframe for completion of any work to be performed under this Agreement during the pendency of the dispute resolution process, except as agreed by the Director or Associate Administrator in writing.

VI. Enforcement:

23. This Agreement is subject to all enforcement authorities available to PHMSA under 49 U.S.C. § 60101, *et seq.*, and 49 CFR Part 190. All work plans and associated schedules set forth or referenced in Section III will be automatically incorporated into this Agreement and are enforceable in the same manner.

VII. Effective Date:

24. *Effective Date*, as used herein, is the date on which the Consent Order is issued by the Associate Administrator, PHMSA, incorporating the terms of this Agreement.

VIII. Recordkeeping and Information Disclosure:

25. Unless otherwise required in this Agreement, Respondent agrees to maintain records demonstrating compliance with all requirements of this Agreement for a period of at least five (5) years following completion of all work to be performed, unless a longer period of time is required by law. For any reports, plans, or other deliverables required to be submitted to PHMSA pursuant to this Agreement, Respondent may assert a claim of business confidentiality or other protections applicable to the release of information by PHMSA, covering part or all of the information required to be submitted to PHMSA pursuant to this Agreement in accordance with 49 CFR Part 7. Respondent must mark the claim of confidentiality in writing on each page and include a statement specifying the grounds for each claim of confidentiality. PHMSA determines release of any information submitted pursuant to this Agreement in accordance with 49 CFR Part 7, the Freedom of Information Act, 5 U.S.C. § 552, DOT and PHMSA policies, and other applicable regulations and Executive Orders.

IX. Modification:

26. The terms of this Agreement may be modified by mutual agreement of the Parties. Such modifications must be in writing and signed by both parties.

X. Force Majeure

27. Respondent agrees to perform all the terms of this Agreement within the timeframes established within this Agreement, including pursuant to modifications under Section IX, unless performance is delayed by a force majeure. For purposes of this Agreement, a force majeure is defined by an event arising from causes beyond the Respondent's control, or any entity controlled by Respondent or Respondent's contractors, which delays or prevents performance of any obligation under this Agreement despite Respondent's commercially reasonable efforts to fulfill the obligation.

28. If a force majeure event occurs or has occurred that delays the performance of any term of this Agreement beyond the approved timeframe, Respondent shall notify the Director, in

writing, within 15 calendar days of when Respondent knew that the event would cause or has caused a delay. Such notice shall identify the cause of the delay or anticipated delay and the anticipated duration of the delay, state the measures taken or to be taken to prevent or minimize the delay, and estimate the timetable for implementation of those measures. Failure to comply with the notice provision of this Provision and to undertake reasonable efforts to avoid and minimize the delay shall waive any claim of force majeure by Respondent.

29. If the Director determines, upon notification by Respondent, that a delay in performance is or was attributable to a force majeure, then the Director will extend the time period for the performance of that term for a reasonable period. The Director will notify Respondent, in writing, of the length of any extension of performance of such terms affected by the force majeure. Any such extensions shall not alter Respondent's obligation to perform or complete other terms of this Agreement that are not affected by the force majeure.

XI. Termination:

30. This Agreement will remain in effect until the Corrective Measures in Section III, Provision 16, Paragraph C are satisfied, as reasonably and timely determined by the Director. This Agreement shall not terminate until the Director confirms, in writing, that this Agreement is terminated in accordance with this Provision. Nothing in this Agreement prevents Respondent from completing any of the obligations earlier than the deadlines provided for in this Agreement. Respondent may request written confirmation from PHMSA when this Agreement is terminated, and the Director will provide such confirmation.

XII. Ratification:

31. The Parties' undersigned representatives certify that they are fully authorized to enter into the terms and conditions of this Agreement and to execute and legally bind such party to this document.

32. The Parties hereby agree to all findings, conditions, and terms of this Agreement.

For Colorado Springs Utilities:

Travas Deal, Chief Executive Officer

Date

For PHMSA:

Dustin Hubbard, Director, Western Region, Office of Pipeline Safety

Date