

Second Regular Session  
Seventy-fourth General Assembly  
STATE OF COLORADO

INTRODUCED

LLS NO. 24-0327.01 Sarah Lozano x3858

HOUSE BILL 24-1357

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HOUSE SPONSORSHIP

Story and Brown,

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Priola,

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House Committees  
Energy & Environment

Senate Committees

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A BILL FOR AN ACT

101 CONCERNING MEASURES TO PROMOTE SAFETY IN THE DISTRIBUTION  
102 OF NATURAL GAS.

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Bill Summary

*(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://leg.colorado.gov>.)*

Current law requires the pipeline safety rules of the public utilities commission (commission) to address the mapping of all pipelines within the commission's jurisdiction. The bill clarifies current law by requiring the commission's mapping requirements for all pipelines within its jurisdiction to be available at a scale of 1 to 6,000 or greater.

On or before December 31, 2024, the commission must adopt rules

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.  
Capital letters or bold & italic numbers indicate new material to be added to existing law.  
Dashes through the words or numbers indicate deletions from existing law.

that require:

- An owner or operator of a transmission line, a distribution system, or a gathering line to use advanced leak detection technology in accordance with certain requirements;
- An owner or operator of a transmission line, a distribution system, or a gathering line or an investor-owned natural gas utility (owner or operator) to repair grade 1 gas leaks immediately upon detection, grade 2 gas leaks no later than 60 days after detection, and grade 3 gas leaks no later than one year after detection; and
- That all pipeline road and railroad crossings are inspected with advanced leak detection technology on a monthly basis for damage caused from traffic.

The bill also requires a section of pipeline that has not been used for 2 or more years to be removed or abandoned in place. An owner or operator may abandon a section of pipeline in place only in certain circumstances. If an owner or operator intends to remove a section of pipeline or abandon a section of pipeline in place, the owner or operator must notify the commission no less than 30 days before the owner or operator commences the removal or abandonment in place. The commission may review a notice of abandonment in place to determine whether the proposed abandonment in place is less impactful than removal.

The bill also requires the commission to develop a user-friendly, public-facing website (website) for pipeline safety data in the state. The website must include the location, date, and owner or operator for the following data:

- Reportable safety events;
- Violations;
- Compliance actions;
- Pipeline inspection data; and
- How to access the mapping of pipelines within the commission's jurisdiction.

Current law provides that any person that violates certain pipeline safety laws is subject to a penalty of up to \$200,000 dollars per violation. The bill changes this maximum penalty to \$500,000 per violation. The amount of the penalty must also be no less than \$5,000 for each day of a violation and, in the event that the commission deems that the penalty is necessary for the protection of public health, safety, welfare, the environment, or wildlife resources, no less than \$15,000 per day of a violation. Beginning in 2026, the commission is required to adjust the penalty amounts for inflation every 2 years.

Current law allows the commission to reduce penalties based on certain metrics and factors (factors). The bill changes current law to allow the commission to also increase penalties based on the factors and adds

additional factors that the commission must consider. Except with respect to an owner or operator of a distribution system serving fewer than 1,000 customers in the state, the commission is prohibited from reducing a penalty based on the factors by more than 15% and the violator is required to conduct certain compliance actions before a reduction occurs.

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1 *Be it enacted by the General Assembly of the State of Colorado:*

2           **SECTION 1.** In Colorado Revised Statutes, 40-2-115, **amend**  
3 (1)(d)(II)(C), (1)(d)(II)(E), (2) introductory portion, and (2)(f); and **add**  
4 (1)(d.5), (1)(g), (2)(d.2), (2)(d.3), (2)(d.5), (2)(d.7), (2)(f.5), (2)(g.5), and  
5 (2)(i.5) as follows:

6           **40-2-115. Cooperation with other states and with the United**  
7 **States - natural gas pipeline safety - customer-owned service line**  
8 **maintenance and repairs notice of responsibility - rules - definitions.**

9 (1) (d) (II) The commission's gas pipeline safety rules must address, and  
10 may be more stringent than required by federal standards with regard to:

11           (C) Mapping of all pipelines within the commission's jurisdiction.  
12 For this purpose, the commission may incorporate information from any  
13 existing flowline maps or other maps prepared by the energy and carbon  
14 management commission created in section 34-60-104.3 (1) and showing  
15 pipelines subject to the jurisdiction of that agency. The ~~public utilities~~  
16 commission's PUBLIC mapping requirements for ALL pipelines within its  
17 jurisdiction must BE AVAILABLE AT A SCALE OF ONE TO SIX THOUSAND OR  
18 GREATER AND incorporate the same standards for confidentiality, security,  
19 and public access ~~and limitations on the scale~~ of publicly available images  
20 as adopted by the energy and carbon management commission in 2 CCR  
21 404-1, rule 1101.e.

22           (E) SUBJECT TO SUBSECTION (1)(d.5)(I) OF THIS SECTION, use of  
23 advanced leak detection technology to meet the need for pipeline safety

1 and protection of the environment;

2 (d.5) ON OR BEFORE DECEMBER 31, 2024, THE COMMISSION SHALL  
3 ADOPT RULES THAT:

4 (I) REQUIRE AN OWNER OR OPERATOR OF A TRANSMISSION LINE TO  
5 USE ADVANCED LEAK DETECTION TECHNOLOGY, WHICH RULES MUST  
6 REQUIRE THE OWNER OR OPERATOR TO:

7 (A) CONDUCT AN AERIAL SCREENING SURVEY OF ANY  
8 TRANSMISSION LINE UNDER THE OWNER'S OR OPERATOR'S CONTROL AT  
9 LEAST FOUR TIMES PER YEAR, WHICH AERIAL SCREENING SURVEY MUST  
10 USE LEAK DETECTION TECHNOLOGY WITH A DETECTION SENSITIVITY OF AT  
11 LEAST THREE KILOGRAMS PER HOUR;

12 (B) IF THE AERIAL SCREENING SURVEY CONDUCTED PURSUANT TO  
13 SUBSECTION (1)(d.5)(I)(A) OF THIS SECTION INDICATES THE PRESENCE OF  
14 A LEAK, USE HANDHELD LEAK DETECTION TECHNOLOGY THAT HAS A  
15 DETECTION SENSITIVITY OF AT LEAST FIVE PARTS PER MILLION FOR EACH  
16 GAS BEING SURVEYED TO LOCATE THE SPECIFIC LEAK SOURCE AND VERIFY  
17 SUCCESSFUL REPAIRS; AND

18 (C) CONDUCT A PATROL FOR ANY TRANSMISSION LINE UNDER THE  
19 CONTROL OF THE OWNER OR OPERATOR AT LEAST ONCE PER MONTH USING  
20 A DETECTION SENSITIVITY OF AT LEAST FIVE PARTS PER MILLION FOR EACH  
21 GAS BEING SURVEYED;

22 (II) REQUIRE AN OWNER OR OPERATOR OF A DISTRIBUTION SYSTEM  
23 TO USE ADVANCED LEAK DETECTION TECHNOLOGY, WHICH RULES MUST  
24 REQUIRE THE OWNER OR OPERATOR TO:

25 (A) CONDUCT A MOBILE SURVEY OF ANY DISTRIBUTION SYSTEM  
26 UNDER THE OWNER'S OR OPERATOR'S CONTROL AT LEAST ONCE PER YEAR,  
27 WHICH MOBILE SURVEY MUST USE LEAK DETECTION TECHNOLOGY WITH A

1 DETECTION SENSITIVITY OF AT LEAST ONE-HALF KILOGRAM PER HOUR;

2 (B) IF THE MOBILE SURVEY CONDUCTED PURSUANT TO SUBSECTION  
3 (1)(d.5)(II)(A) OF THIS SECTION INDICATES THE PRESENCE OF A LEAK, USE  
4 HANDHELD LEAK DETECTION TECHNOLOGY THAT HAS A DETECTION  
5 SENSITIVITY OF AT LEAST FIVE PARTS PER MILLION FOR EACH GAS BEING  
6 SURVEYED TO LOCATE THE SPECIFIC LEAK SOURCE AND VERIFY  
7 SUCCESSFUL REPAIRS; AND

8 (C) CONDUCT A HANDHELD SURVEY FOR ANY DISTRIBUTION  
9 SYSTEM UNDER THE CONTROL OF THE OWNER OR OPERATOR AT LEAST  
10 ONCE PER YEAR WITH LEAK DETECTION TECHNOLOGY THAT HAS A  
11 DETECTION SENSITIVITY OF AT LEAST FIVE PARTS PER MILLION FOR EACH  
12 GAS BEING SURVEYED;

13 (III) REQUIRE AN OWNER OR OPERATOR OF A GATHERING LINE TO  
14 USE ADVANCED LEAK DETECTION TECHNOLOGY, WHICH RULES MUST  
15 REQUIRE THE OWNER OR OPERATOR TO:

16 (A) CONDUCT A MOBILE SURVEY OF ANY GATHERING LINE UNDER  
17 THE OWNER'S OR OPERATOR'S CONTROL AT LEAST QUARTERLY, WHICH  
18 MOBILE SURVEY MUST USE LEAK DETECTION TECHNOLOGY WITH A  
19 DETECTION SENSITIVITY OF AT LEAST TEN KILOGRAMS PER HOUR; AND

20 (B) IF THE MOBILE SURVEY CONDUCTED PURSUANT TO SUBSECTION  
21 (1)(d.5)(III)(A) OF THIS SECTION INDICATES THE PRESENCE OF A LEAK, USE  
22 HANDHELD LEAK DETECTION TECHNOLOGY THAT HAS A DETECTION  
23 SENSITIVITY OF AT LEAST FIVE PARTS PER MILLION FOR EACH GAS BEING  
24 SURVEYED TO LOCATE THE SPECIFIC LEAK SOURCE AND VERIFY  
25 SUCCESSFUL REPAIRS;

26 (IV) REQUIRE THAT ALL PIPELINE ROAD AND RAILROAD CROSSINGS  
27 ARE INSPECTED WITH ADVANCED LEAK DETECTION TECHNOLOGY AT LEAST

1 MONTHLY FOR DAMAGE CAUSED BY CYCLICAL LOADING STRESS FROM  
2 TRAFFIC; AND

3 (V) REQUIRE AN OWNER OR OPERATOR TO REPAIR LEAKS IN THE  
4 FOLLOWING MANNER:

5 (A) A GRADE 1 GAS LEAK MUST BE REPAIRED IMMEDIATELY UPON  
6 DETECTION;

7 (B) A GRADE 2 GAS LEAK MUST BE REPAIRED NO LATER THAN  
8 SIXTY DAYS AFTER DETECTION; AND

9 (C) A GRADE 3 GAS LEAK MUST BE REPAIRED NO LATER THAN ONE  
10 YEAR AFTER DETECTION.

11 (g) (I) SUBJECT TO SUBSECTION (1)(g)(II) OF THIS SECTION, A  
12 SECTION OF PIPELINE THAT HAS NOT BEEN USED FOR TWO OR MORE YEARS  
13 MUST BE REMOVED OR ABANDONED IN PLACE. AN OWNER OR OPERATOR  
14 MAY ABANDON A SECTION OF PIPELINE IN PLACE ONLY IF:

15 (A) A SURFACE OWNER AGREEMENT EXECUTED BY THE SURFACE  
16 OWNER EXPRESSLY ALLOWS THE ABANDONMENT IN PLACE;

17 (B) THE SECTION OF PIPELINE IS SUBJECT TO THE JURISDICTION OF  
18 THE FEDERAL GOVERNMENT AND THE RELEVANT FEDERAL AGENCY  
19 DIRECTS THE ABANDONMENT IN PLACE;

20 (C) THE SECTION OF PIPELINE IS CO-LOCATED WITH OTHER ACTIVE  
21 PIPELINES OR UTILITIES OR IS IN A RECORDED RIGHT-OF-WAY;

22 (D) THE SECTION OF PIPELINE IS IN A RESTRICTED SURFACE  
23 OCCUPANCY AREA OR SENSITIVE WILDLIFE HABITAT;

24 (E) THE SECTION OF PIPELINE CROSSES OR IS WITHIN THIRTY FEET  
25 OF A PUBLIC ROAD, RAILROAD, BIKE PATH, PUBLIC RIGHT-OF-WAY, UTILITY  
26 CORRIDOR, OR ACTIVE UTILITY CROSSING; OR

27 (F) THE SECTION OF PIPELINE CROSSES, GOES UNDER, OR IS WITHIN

1 THIRTY FEET OF A RIVER, STREAM, LAKE, POND, RESERVOIR, WETLANDS,  
2 WATERCOURSE, WATERWAY, OR SPRING.

3 (II) IF AN OWNER OR OPERATOR INTENDS TO REMOVE A SECTION OF  
4 PIPELINE OR ABANDON A SECTION OF PIPELINE IN PLACE PURSUANT TO ONE  
5 OF THE SCENARIOS DESCRIBED IN SUBSECTION (1)(g)(I) OF THIS SECTION,  
6 THE OWNER OR OPERATOR MUST SUBMIT NOTICE TO THE COMMISSION OF  
7 THE SCHEDULED DATE FOR COMMENCING THE REMOVAL OR  
8 ABANDONMENT IN PLACE AND ANY DOCUMENTATION REQUIRED BY THE  
9 COMMISSION. THE OWNER OR OPERATOR MUST SUBMIT THE NOTICE AND  
10 DOCUMENTATION NO LESS THAN THIRTY DAYS BEFORE THE OWNER OR  
11 OPERATOR COMMENCES REMOVAL OR ABANDONMENT IN PLACE. THE  
12 COMMISSION MAY REVIEW A NOTICE OF ABANDONMENT IN PLACE TO  
13 DETERMINE WHETHER THE PROPOSED ABANDONMENT IN PLACE IS LESS  
14 IMPACTFUL TO PUBLIC HEALTH, SAFETY, WELFARE, THE ENVIRONMENT,  
15 AND WILDLIFE RESOURCES THAN REMOVAL OF THE SECTION OF PIPELINE.  
16 THE COMMISSION'S DETERMINATION, IF ANY, MUST TAKE INTO  
17 CONSIDERATION THE INPUT OF A RELEVANT LOCAL GOVERNMENT.

18 (2) As used in this section AND SECTION 40-2-115.5, unless the  
19 context otherwise requires, or as otherwise defined in commission rules:

20 (d.2) "GATHERING LINE" MEANS A TYPE A, TYPE B, TYPE C, OR  
21 TYPE R GATHERING PIPELINE AS DETERMINED PURSUANT TO 49 CFR 192.8,  
22 AS AMENDED.

23 (d.3) "GRADE 1 GAS LEAK" MEANS A LEAK THAT, WHEN FIRST  
24 DISCOVERED, PRESENTS AN URGENT OR EMERGENCY SITUATION,  
25 INCLUDING GRAVE ENVIRONMENTAL HARMS, REQUIRING THE OWNER OR  
26 OPERATOR TO TAKE IMMEDIATE AND CONTINUOUS ACTION TO ELIMINATE  
27 HAZARDS TO PEOPLE AND THE ENVIRONMENT.

1 (d.5) "GRADE 2 GAS LEAK" MEANS A LEAK THAT, WHEN FIRST  
2 DISCOVERED, PRESENTS A PROBABLE FUTURE HAZARD TO PUBLIC SAFETY  
3 OR A SIGNIFICANT HAZARD TO THE ENVIRONMENT.

4 (d.7) "GRADE 3 GAS LEAK" MEANS A LEAK THAT, WHEN FIRST  
5 DISCOVERED, IS NOT A GRADE 1 GAS LEAK OR A GRADE 2 GAS LEAK.

6 (f) "Owner or operator" means an owner or operator of a  
7 distribution system, GATHERING LINE, OR TRANSMISSION LINE or an  
8 investor-owned natural gas utility.

9 (f.5) "PATROL" MEANS TRAVERSING THE TRANSMISSION LINE  
10 RIGHT-OF-WAY THROUGH WALKING, DRIVING, OR FLYING ALONG THE  
11 TRANSMISSION LINE RIGHT-OF-WAY OR THROUGH OTHER APPROPRIATE  
12 MEANS TO OBSERVE SURFACE CONDITIONS ON AND ADJACENT TO THE  
13 TRANSMISSION LINE RIGHT-OF-WAY FOR INDICATION OF LEAKS,  
14 CONSTRUCTION ACTIVITY, OR OTHER FACTORS AFFECTING SAFETY AND  
15 OPERATION.

16 (g.5) "RELEVANT LOCAL GOVERNMENT" MEANS A LOCAL  
17 GOVERNMENT WITH LAND USE AUTHORITY OVER THE AREA WHERE A  
18 PIPELINE IS PROPOSED OR EXISTS.

19 (i.5) "TRANSMISSION LINE" HAS THE MEANING SET FORTH IN 49  
20 CFR 192.3, AS AMENDED.

21 **SECTION 2.** In Colorado Revised Statutes, **add** 40-2-115.5 as  
22 follows:

23 **40-2-115.5. Pipeline safety - user-friendly, public-facing**  
24 **internet website for reporting procedures - rules - definitions.**

25 (1) (a) AS SOON AS PRACTICABLE, BUT NO LATER THAN JANUARY 31,  
26 2025, THE COMMISSION SHALL DEVELOP A USER-FRIENDLY, PUBLIC-FACING  
27 INTERNET WEBSITE TO PROVIDE THE PUBLIC WITH ACCESS TO REAL-TIME



1 INFORMATION, OR AS CLOSE AS POSSIBLE TO REAL-TIME INFORMATION,  
2 REGARDING THE LOCATION, DATE, AND OWNER OR OPERATOR OF THE  
3 APPLICABLE PIPELINE FOR THE FOLLOWING PIPELINE SAFETY DATA:

4 (I) REPORTABLE SAFETY EVENTS;

5 (II) GAS LEAK INFORMATION, INCLUDING:

6 (A) WHETHER THE LEAK IS A GRADE 1 GAS LEAK, A GRADE 2 GAS  
7 LEAK, OR A GRADE 3 GAS LEAK;

8 (B) THE APPROXIMATE DATE, CAUSE, AND LOCATION OF EACH  
9 LEAK;

10 (C) THE TYPE OF PIPE OR FACILITY THAT CAUSED THE LEAK;

11 (D) ANY METHOD USED TO DETECT THE LEAK;

12 (E) THE VOLUME OF GAS LEAKED, MEASURED IN CARBON DIOXIDE  
13 EQUIVALENT AND CUBIC FEET; EXCEPT THAT, IF AN OWNER OR OPERATOR  
14 CANNOT IDENTIFY AN EXACT VOLUME OF GAS LEAKED, THE OWNER OR  
15 OPERATOR MUST PROVIDE THE OWNER'S OR OPERATOR'S BEST  
16 APPROXIMATION; AND

17 (F) THE DATE THE LEAK IS REPAIRED;

18 (III) INFORMATION RELATED TO VIOLATIONS, INCLUDING:

19 (A) THE NATURE OF A VIOLATION; AND

20 (B) THE LEVEL OF NONCOMPLIANCE;

21 (IV) INFORMATION RELATED TO COMPLIANCE ACTIONS,  
22 INCLUDING:

23 (A) NOTICES OF POSSIBLE VIOLATIONS ISSUED AND ORDERS  
24 ENTERED FOR VIOLATIONS;

25 (B) PENALTIES ASSESSED AND, OF THE PENALTIES ASSESSED, THE  
26 NUMBER OF PENALTIES THAT WERE NEGOTIATED AND THE NUMBER OF  
27 PENALTIES THAT HAVE BEEN PAID; AND

1 (C) PERTINENT DATES OF PROCESS, INCLUDING HEARING DATES  
2 AND DATES OF RESOLUTION;

3 (V) INSPECTION RECORDS, INCLUDING THE INSPECTION DATES,  
4 LOCATION AND TYPE OF FACILITY INSPECTED, OPERATOR AND INSPECTION  
5 UNIT, NAMES AND TITLES OF STAFF OF AN OWNER OR OPERATOR  
6 CONTACTED AT THE INSPECTION UNIT, REGULATION SECTIONS CHECKED  
7 FOR COMPLIANCE, AND RESULTING EVALUATION CONCLUSIONS; AND

8 (VI) INSTRUCTIONS ON HOW TO ACCESS THE MAPPING OF PIPELINES  
9 WITHIN THE COMMISSION'S JURISDICTION ESTABLISHED IN ACCORDANCE  
10 WITH SECTION 40-2-115 (1)(d)(II)(C).

11 (b) A MEMBER OF THE PUBLIC MUST BE ABLE TO USE THE WEBSITE  
12 TO SEARCH FOR A PIPELINE EVENT, INCIDENT, SPILL, LEAK, OR RELEASE BY  
13 SEARCHING FOR A LOCATION OR OWNER OR OPERATOR.

14 (c) THE OFFICE OF INFORMATION TECHNOLOGY CREATED IN  
15 SECTION 24-37.5-103 MAY PROVIDE THE COMMISSION TECHNICAL  
16 ASSISTANCE TO HELP FACILITATE THE DESIGN AND FUNCTIONALITY,  
17 INCLUDING THE SEARCH INTERFACE DESIGN AND FUNCTIONALITY, OF THE  
18 WEBSITE.

19 (d) THE COMMISSION SHALL DEVELOP THE WEBSITE TO PROVIDE  
20 INFORMATION IN ENGLISH, SPANISH, AND ANY OTHER BROADLY SPOKEN  
21 LANGUAGES IN THE STATE AS DETERMINED BY THE COMMISSION BY RULE.

22 (2) (a) AS USED IN THIS SECTION:

23 (I) "REPORTABLE SAFETY EVENT" MEANS:

24 (A) AN EVENT THAT INVOLVES: A GRADE 1 GAS LEAK, A GRADE 2  
25 GAS LEAK, OR A RELEASE OF GAS FROM A PIPELINE OR AN UNDERGROUND  
26 NATURAL GAS STORAGE FACILITY AS DEFINED IN SECTION 34-64-102;  
27 LIQUEFIED NATURAL GAS; LIQUEFIED PETROLEUM GAS; REFRIGERANT GAS;

1 OR GAS FROM A LIQUEFIED NATURAL GAS FACILITY;

2 (B) A SPILL, RELEASE, OR UNAUTHORIZED DISCHARGE OF  
3 PETROLEUM PRODUCTS, EXPLORATION AND PRODUCTION WASTES, OR  
4 HAZARDOUS CHEMICALS GREATER THAN ONE BARREL;

5 (C) AN ACCIDENTAL FIRE, EXPLOSION, DETONATION,  
6 UNCONTROLLED RELEASE OF PRESSURE, OR LOSS OF PRESSURE CONTROL;  
7 VANDALISM OR TERRORIST ACTIVITY; OR ANY ACCIDENTAL OR NATURAL  
8 EVENT THAT DAMAGES EQUIPMENT OR OTHERWISE ALTERS AN OIL AND  
9 GAS FACILITY SO AS TO CREATE A SIGNIFICANT SPILL OR RELEASE, A FIRE  
10 HAZARD, UNINTENTIONAL PUBLIC ACCESS, OR ANY OTHER CONDITION  
11 THAT THREATENS PUBLIC SAFETY;

12 (D) AN ACCIDENT OR NATURAL EVENT AT AN OIL AND GAS  
13 FACILITY THAT RESULTS IN A REPORTABLE INJURY AS DESCRIBED IN 29  
14 CFR 1904.39, NOT INCLUDING ANY AMENDMENTS ADOPTED AFTER 2021;

15 (E) AN EVENT THAT RESULTS IN AN EMERGENCY SHUTDOWN OF A  
16 LIQUEFIED NATURAL GAS FACILITY OR AN UNDERGROUND NATURAL GAS  
17 STORAGE FACILITY AS DEFINED IN SECTION 34-64-102. ACTIVATION OF AN  
18 EMERGENCY SHUTDOWN SYSTEM FOR REASONS OTHER THAN AN ACTUAL  
19 EMERGENCY WITHIN THE FACILITY DOES NOT CONSTITUTE AN INCIDENT.

20 (F) AN ACCIDENT OR NATURAL EVENT AT A PIPELINE THAT  
21 RESULTS IN AN INJURY TO A MEMBER OF THE GENERAL PUBLIC THAT  
22 REQUIRES MEDICAL TREATMENT OR DAMAGE TO LANDS, STRUCTURES, OR  
23 PROPERTY IN AN AMOUNT GREATER THAN FIFTEEN THOUSAND DOLLARS;

24 (G) A DEVIATION FROM NORMAL OPERATION, A STRUCTURAL  
25 FAILURE, OR SEVERE ENVIRONMENTAL CONDITIONS THAT PROBABLY  
26 WOULD CAUSE HARM TO PEOPLE OR PROPERTY; OR

27 (H) AN EVENT THAT IS SIGNIFICANT IN THE JUDGMENT OF THE

1 OWNER OR OPERATOR, EVEN THOUGH IT DID NOT MEET THE CRITERIA OF  
2 SUBSECTION (2)(a)(I)(A), (2)(a)(I)(B), OR (2)(a)(I)(C) OF THIS SECTION.

3 (II) "USER-FRIENDLY, PUBLIC-FACING INTERNET WEBSITE" OR  
4 "WEBSITE" MEANS AN INTERACTIVE, SEARCHABLE, ELECTRONIC  
5 INFORMATION DELIVERY SYSTEM THROUGH WHICH ELECTRONIC  
6 INFORMATION IS PROVIDED TO THE USER VIA THE INTERNET.

7 (b) DEFINITIONS IN SECTION 40-2-115 APPLY TO TERMS AS THEY  
8 ARE USED IN THIS SECTION.

9 **SECTION 3.** In Colorado Revised Statutes, 40-7-117, **amend** (1),  
10 (2), and (3); and **add** (2.5) and (5) as follows:

11 **40-7-117. Gas pipeline safety rules - civil penalty for violations**  
12 **- other remedies - definition.** (1) (a) Any person violating any rule  
13 adopted or order issued by the commission pursuant to the authority  
14 granted in section 40-2-115 (1)(c), (1)(d), ~~or (1)(d.5)~~, (1)(e), OR **(1)(g)** is  
15 subject to a civil penalty of up to ~~two~~ FIVE hundred thousand dollars per  
16 violation; except that, in the case of a group or series of related violations,  
17 the aggregate amount of such penalties ~~shall~~ **MUST** not exceed two million  
18 dollars. Each day of a continuing violation constitutes a separate  
19 violation. THE AMOUNT OF A PENALTY MUST BE NO LESS THAN FIVE  
20 THOUSAND DOLLARS FOR EACH DAY OF A VIOLATION AND, IN THE EVENT  
21 THAT THE COMMISSION DEEMS THE PENALTY TO BE NECESSARY FOR THE  
22 PROTECTION OF PUBLIC HEALTH, SAFETY, WELFARE, THE ENVIRONMENT,  
23 OR WILDLIFE RESOURCES, NO LESS THAN FIFTEEN THOUSAND DOLLARS FOR  
24 EACH DAY OF A VIOLATION.

25 (b) BEGINNING IN 2026, THE COMMISSION SHALL ADJUST THE  
26 PENALTY AMOUNTS DESCRIBED IN SUBSECTION (1)(a) OF THIS SECTION BY  
27 RULE EVERY TWO YEARS FOR INFLATION BY THE ANNUAL PERCENTAGE

1 CHANGE IN THE UNITED STATES DEPARTMENT OF LABOR'S BUREAU OF  
2 LABOR STATISTICS CONSUMER PRICE INDEX, OR A SUCCESSOR INDEX, FOR  
3 DENVER-AURORA-LAKEWOOD FOR ALL ITEMS PAID BY URBAN  
4 CONSUMERS.

5 (2) SUBJECT TO SUBSECTION (2.5) OF THIS SECTION, any civil  
6 penalty authorized by this section may be reduced OR INCREASED by the  
7 commission based on consideration of objective metrics and factors set  
8 forth in rules. The metrics and factors must include:

9 (a) An evaluation of the severity of the violation, in terms of its  
10 actual or potential effect on public HEALTH, safety, WELFARE, THE  
11 ENVIRONMENT, WILDLIFE RESOURCES, or pipeline system integrity;

12 (b) The extent to which the violation and any underlying  
13 conditions that may have contributed to the likelihood or severity of the  
14 violation have been remedied; ~~and~~

15 (c) WHETHER THE VIOLATION IS SELF-REPORTED;

16 (d) WHETHER THE OWNER OR OPERATOR ACTED WITH GROSS  
17 NEGLIGENCE OR KNOWING AND WILLFUL MISCONDUCT;

18 (e) WHETHER THE OWNER OR OPERATOR FALSIFIED REPORTS OR  
19 RECORDS;

20 (f) WHETHER THE OWNER OR OPERATOR BENEFITTED  
21 ECONOMICALLY FROM THE VIOLATION, WHICH ECONOMIC BENEFIT MUST  
22 BE TAKEN INTO CONSIDERATION; AND

23 ~~(e)~~ (g) IN THE CASE OF A VIOLATION BY A SMALL OWNER OR  
24 OPERATOR, the extent to which the ~~violation~~ SMALL OWNER OR OPERATOR  
25 agrees to spend, in lieu of payment of part of the civil penalty, a specified  
26 dollar amount on commission-approved measures to reduce the overall  
27 risk to pipeline system safety or integrity; except that the amount of the

1 penalty payable to the commission ~~shall~~ MUST be no less than five  
2 thousand dollars.

3 (2.5) EXCEPT AS SET FORTH IN SUBSECTION (2)(g) OF THIS  
4 SECTION, THE COMMISSION SHALL NOT REDUCE A PENALTY ASSESSED  
5 PURSUANT TO SUBSECTION (2) OF THIS SECTION BY MORE THAN FIFTEEN  
6 PERCENT, WHICH REDUCTION SHALL NOT BE APPLIED UNTIL:

7 (a) THE OWNER OR OPERATOR HAS COMPLETED ANY REQUIRED  
8 MITIGATION OR REMEDIATION ACTIONS RELATED TO THE VIOLATION;

9 (b) THE OWNER OR OPERATOR IS IN COMPLIANCE WITH ALL  
10 APPLICABLE INSPECTION AND DOCUMENTATION REQUIREMENTS; AND

11 (c) A COMMISSION INSPECTOR HAS CONFIRMED THAT THE ACTIONS  
12 AND COMPLIANCE DESCRIBED IN SUBSECTIONS (2.5)(a) AND (2.5)(b) OF  
13 THIS SECTION HAVE OCCURRED.

14 (3) If a violator does not remit the assessed penalty or the lesser  
15 amount agreed upon pursuant to ~~subsection (2)~~ SUBSECTIONS (2) AND  
16 (2.5) of this section, the commission may recover the amount due plus  
17 court costs in a civil action in any court of competent jurisdiction.

18 (5) AS USED IN THIS SECTION, UNLESS THE CONTEXT OTHERWISE  
19 REQUIRES, "SMALL OWNER OR OPERATOR" MEANS AN OWNER OR  
20 OPERATOR OF A DISTRIBUTION SYSTEM, AS DEFINED IN SECTION 40-2-115  
21 (2)(b), THAT SERVES FEWER THAN ONE THOUSAND CUSTOMERS IN THE  
22 STATE.

23 **SECTION 4. Safety clause.** The general assembly finds,  
24 determines, and declares that this act is necessary for the immediate  
25 preservation of the public peace, health, or safety or for appropriations for  
26 the support and maintenance of the departments of the state and state  
27 institutions.