

Why do these problems matter?

- **When the Program does not enforce federal and state requirements for gas pipeline operators—or when enforcement is inconsistent—operator noncompliance persists.** For Calendar Years 2017 through 2022, we identified 14 public operators—larger operators serving 100 or more customers—that, according to Program inspections, had noncompliance continuing through multiple years, according to Program inspections, but these operators did not receive compliance actions from the Program. For example, the Program documented that over the 5-year period, Xcel Energy had 134 instances of noncompliance documented for 11 different regulations related to gas pipeline overpressure protection, which is intended to prevent pipeline pressure from exceeding a safe threshold to ensure safety when the pressure regulator fails or malfunctions; without gas pipeline overpressure protection a pipeline could rupture. Exhibit 2.7 summarizes the noncompliance for these 14 operators.

Exhibit 2.7

Public Operators with Multiple and Repeat Noncompliance for which the Program did not Issue Compliance Actions, Calendar Years 2017 through 2022

Operator Names	Number of Inspections	Number of Repeat Instances of Noncompliance Documented as Concern	Number of Repeat Instances of Noncompliance Documented as Unsatisfactory	Total Repeat Instances of Noncompliance
Xcel Energy	482	531	547	1,078
Colorado Natural Gas	175	464	102	566
Black Hills Energy	109	71	126	197
Atmos Energy Corporation	40	147	10	157
Rocky Mountain Natural Gas	43	57	74	131
City of Walsenburg	17	23	46	69
Town of Center	18	56	0	56
Ignacio Municipal Gas	14	21	32	53
Town of Aguilar	13	11	41	52
Sterling Ethanol	10	33	14	47
Fort Morgan Gas Dept.	10	12	19	31
Fountain Valley Power	6	21	0	21
Town Of Walden	5	14	0	14
Platte River Power	3	3	8	11
14 Operators	945	1,464	1,019	2,483

Source: Office of the State Auditor’s analysis of PUC and Program documents and federal IA system data recorded by the Program.

Exhibit 2.8

Gas Pipeline Safety Accidents Related to Public Operators that were Not Issued Compliance Actions for Documented Instances of Noncompliance Prior to the Accidents, Calendar Years 2018 through 2022

Operator, Location of Accident, and Operator Unit Investigated	Accident Date	Damage From Accident	Number of Inspections of this Unit, 2017 to Accident Date	Unsatisfactory Instances of Noncompliance for this Unit, with No Compliance Actions Issued, 2017 to Accident Date	Concern Instances of Noncompliance for this Unit, with No Compliance Actions Issued, 2017 to Accident Date	Compliance Actions Documented, 2017 to Accident Date	Compliance Actions Issued Based on Accident	Operator Instances of Noncompliance From Accident Date through December 2022
Xcel Energy Salida Unit 86074	April 2018	Property Explosion— \$151,130 in property damage, power outage for 3,900 people, area evacuated, and highway closure	29	5	0	None	None	76
Xcel Energy Aurora Unit 86080	November 2018	Home Explosion/Fire— 1 fatality, 3 injuries, and several homes damaged or destroyed	45	10	6	None	None	30
Xcel Energy Breckenridge Unit 86083	April 2019	Home Explosion— 2 injuries and 1 home destroyed	49	17	10	None	2 verbal warnings	39
Black Hills Energy Gypsum Unit 86059	September 2020	Home Explosion— 1 fatality and 1 home destroyed	24	18	4	None	1 verbal warning	56
Black Hills Energy Glenwood Springs Unit 86059	December 2020	Gas Leak Due to Operator Error—\$80,567 in property damage	24	18	4	None	None	56
Xcel Energy Buena Vista Unit 86074	February 2021	Pipeline Leak Due to Excavation Damage— \$106,650 in property damage, and customers lost service	108	15	26	None	None	40
Xcel Energy Windsor Unit 86086	December 2021	Pipeline Rupture— \$724,720 in property damage	104	15	19	None	None	0
Black Hills Energy Aspen Unit 86059	February 2022	Construction Site Explosion—4 people hospitalized and several others injured	43	41	14	None	None	23
Atmos Eaton Unit 86063	June 2022	Incident Unknown— 2,500 homes and businesses lost power for 4 days	40	0	30	None	Notice of probable violation issued; \$50,000 penalty assessed and reduced to \$5,000	12

Source: Office of the State Auditor’s analysis of available federal data, and state data and media reports, on gas pipeline incidents and events.

¹This exhibit does not include the accidents that the Program did not have a record of investigating because operators failed to report the accidents. See our *Investigations of Safety Accidents* Finding for more details.