



Colorado Springs Utilities

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May 16, 2018

Ms. Kari Parsons
Project Manager/Planner II
El Paso County Planning & Community Development
2880 International Circle
Colorado Springs, CO 80903

Subject: Letter of Intent: Site Development Plan for the Colorado Springs Utilities Propane Air Plant Upgrade Project

Dear Ms. Parsons,

This Letter of Intent is being submitted as part of the Site Development Plan (SDP) Application for Colorado Springs Utilities Propane Air Plant Upgrade Project herein called "the site" or "the project". The Applicant is Colorado Springs Utilities, who owns and operates the facility.

The Propane Air Plant is a gas peaking facility which blends a propane-air mixture into the natural gas distribution system to supplement the gas supply system during peak demand and emergency capacity shortages. The Propane Air Plant was originally constructed in 1973-1974 and is located at 7723 N. Carefree Circle, Colorado Springs, El Paso County, Colorado 80922. Liquid propane is pumped from the storage tanks to water-bath vaporizers, converting the liquid propane to gaseous propane. After the propane is vaporized it is directed to the blending equipment where it is blended with compressed air. Air compressors provide compressed air to the blending equipment. Propane vapor and air are mixed in a precisely controlled ratio, then injected into the North Station natural gas pipeline serving Colorado Springs.

Construction of the Propane Air Plant upgrade project is scheduled to commence the second quarter of 2018 and continue through the fourth quarter of 2018. Dependent upon issuance of SDP approval, Colorado Springs Utilities may performing equipment upgrades and equipment replacement (swaps) on the existing portion of the facility prior to SDP approval of the additional new infrastructure.

In accordance with El Paso County requirements, as described in the *Land Development Code*, this Letter of Intent includes the following information:

1. Owner/applicant and consultant, including addresses and telephone numbers
2. Site location, size, and zoning
3. Request and justification
4. Existing and proposed facilities, structures, roads, etc.
5. Deferral and waiver requests (if applicable) and justification

1. Owner/Applicant and Preparer

Owner/Applicant

The Owner / Applicant and preparer of this application is Colorado Springs Utilities. The Project Manager for the project is Mr. Justin Back. He can be contacted as follows:

Mr. Justin Back
Senior Project Engineer
Colorado Springs Utilities
Juback@csu.org
Office 719.668.8528
Cell 719.432.9470

2. Site Location, Size, and Zoning

Site Location

This application pertains to the Propane Air Plant Upgrade Project located within Section 29, Township 13 South, Range 65 West of the Sixth Principal Meridian in El Paso County, Colorado. More specifically, the project site is located south west of the intersection of Marksheffel Road and N. Carefree Circle. The Propane Air Plant overarching facility is located on three (3) adjacent parcels in unincorporated El Paso County, parcel No. 5329400005, 5329400014, and 5329400015.

A Vicinity and Location Map is included in this application packet.

Size

The total area of all three (3) parcels is approximately 38.60 acres. The total area of disturbance is less than 1 acre. There will be no disturbance of vegetated areas related to this project.

Zoning

All three (3) parcels are zoned Residential Rural, RR-5. There will be no changes to zoning required for the Project. Because this application does not contain zoning or re-zoning requests, Items 6 through 20 of the Letter of Intent guideline provided in the *Land Development Code* are not applicable and have not been included.

3. Request and Justification

The Propane Air Plant is a gas peaking facility which blends a propane-air mixture into the natural gas distribution system to supplement the gas supply system during peak demand and emergency capacity shortages. This improves reliability of the city's gas system and helps keep rates low for the citizens of Colorado Springs. The plant currently operates with a maximum output capacity of 1,250 Dth/hr. To meet the projected supply demands through 2025, the facility will be upgraded to increase the output capacity to 2,400 Dth/hr.

4. Existing and Proposed Facilities and Structures

Existing Facilities and Structures

The Propane Air Plant is an existing operational facility and includes the following infrastructure: A liquid propane unloading station, forty-two (42) exterior liquid propane storage tanks, liquid propane pump house, five (5) exterior liquid propane vaporizers, operation building (control room, office, and blender room), two (2) processes buildings that house five (5) existing air compressors and ancillary equipment, and three (3) outbuildings and sheds used for workshops and storage. Overhead electric and underground telecommunication, gas, and water utilities exist on the property. Liquid Petroleum Gas (LPG) storage capacity will not be increased as part of this project (no additional LPG tanks will be installed as part of this project).

The entire facility is secured by security fencing, a key card reader access gate, and on-site security guards. Access to the facility is from a paved access road off of N. Carefree Circle.

Unrelated to the Propane Air Plant facility, the natural gas North Gate Station is located on the facility compound. The North Gate Station consists of two (2) mercaptan storage tanks, blending equipment, and metering equipment.

Proposed Facilities and Structures

Upgrades to the facility include upgrades to and replacement of process and blending equipment and installation of new process equipment. Four (4) of the five (5) existing liquid propane vaporizers will be replaced with three (3) natural gas-fired liquid propane vaporizers. Upgrades will be made to an existing diesel generator, blending equipment, and piping. New equipment that will be installed include: Six (6) exterior diesel compressors with sound walls and a 5,000-gal diesel storage tank with dispensing system. The facility will be modified for the installation of six (6) new diesel-powered compressors, however, only three (3) compressors will be installed at this time. The three (3) remaining compressors are scheduled to be installed in the second quarter of 2022.

See the Site Development Plan and Construction Plans included in this submittal for details.

5. Deferral and Waiver Requests and Justification

The Applicant is not requesting any deferrals or waivers to this application at this time.

Please review this Site Development Plan information and determine if any additional items are required for approval. If you have any questions during this review process, please contact Justin Back at (719) 668-8528 or juback@csu.org, or Kevin Shrewsbury at (719) 668-8617 or at kshrewsbury@csu.org. Thank you for your consideration.

Respectfully submitted,
Colorado Springs Utilities

Justin Back
Senior Project Engineer

 5/16/2018

Attachments:

- A. Site Development Plan Application
- B. Authority to Represent
- C. Vicinity/Location Maps and List of Affected Parcel Numbers
- D. Site Development Plan Drawings and Selected Specifications
- E. Elevation Plans
- F. Legal Descriptions
- G. Traffic Memo