

Application No: A. 11-11-002
Exhibit No.: _____
Date: June 4, 2012
Witness: Douglas M. Schneider and
David L. Buczkowski

_____)
In the Matter of the Application of San Diego Gas &)
Electric Company (U 902 G) and Southern California)
Gas Company (U 904 G) for Authority to Revise)
Their Rates Effective January 1, 2013, in Their)
Triennial Cost Allocation Proceeding.)
_____)

A.11-11-002
(Filed November 1, 2011)

**PREPARED SUPPLEMENTAL DIRECT TESTIMONY OF
DOUGLAS M. SCHNEIDER AND DAVID L. BUCZKOWSKI
IN SUPPORT OF THE PIPELINE SAFETY ENHANCEMENT PLAN OF
SOUTHERN CALIFORNIA GAS COMPANY AND
SAN DIEGO GAS & ELECTRIC COMPANY**

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

June 4, 2012

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1 **PREPARED SUPPLEMENTAL DIRECT TESTIMONY**

2 **OF DOUGLAS M. SCHNEIDER AND DAVID L. BUCZKOWSKI**

3 **I. PURPOSE**

4 In Decision (D.)11-06-017, the Commission directed California’s natural gas pipeline
5 operators to “file and serve a proposed Natural Gas Transmission Pipeline Comprehensive
6 Pressure Testing Implementation Plan (Plan) to comply with the requirement that all in-service
7 natural gas *transmission* pipeline in California has been pressure tested in accordance with 49
8 CFR 192.619, excluding subsection 49 CFR 192.619 (c).”¹ The purpose of this Supplemental
9 Direct Testimony is to address the fact that Southern California Gas Company (SoCalGas) and
10 San Diego Gas & Electric Company (SDG&E) have included some portions of pipeline defined as
11 “distribution” per federal regulations in the Pipeline Safety Enhancement Plan (Plan) submitted on
12 August 26, 2011 in Rulemaking (R.)11-02-019.² As explained below, inclusion of these
13 distribution segments in our Plan is reasonable.³

14 **II. SOME DISTRIBUTION SEGMENTS ARE CURRENTLY INCLUDED IN OUR**
15 **PLAN**

16 Since we initially filed our proposed Plan in August of 2011, it has come to the attention of
17 SoCalGas and SDG&E that some segments included in the Plan are categorized as distribution
18 line segments per 49 CFR 192. As such, this pipe technically does not fall within the
19 Commission’s directive in D.11-06-017 to propose an implementation plan to address
20 *transmission* lines.⁴ The length of the distribution pipe included in our proposed Plan accounts for

¹ D.11-06-017, mimeo, at 31 (Ordering Paragraph No. 4).

² Consideration of this Pipeline Safety Enhancement Plan was transferred to this proceeding by the Commission in D.12-04-010.

³ David L. Buczkowski is sponsoring the portion of this testimony that pertains to the potential cost impact associated with the small distribution portions of pipelines included within our Proposed Pipeline Safety Enhancement Plan. Douglas M. Schneider is sponsoring the remainder of this testimony.

⁴ See D.11-06-017, mimeo, at 31 (Ordering Paragraph No. 4).

1 approximately 4.3% of the Phase 1A scope for pressure test and replacement, totals approximately
2 28 miles, and is generally interspersed among the transmission lines included in the Plan.

3 **III. THESE DISTRIBUTION SEGMENTS SHOULD STAY IN THE PLAN**

4 Even though the Commission’s directive applies to transmission lines, SoCalGas and
5 SDG&E believe that the relatively small amount of distribution pipe currently included in our
6 proposed Plan should remain in the Plan. The distribution pipe included in the Plan is generally
7 located adjacent to or in between transmission lines that are scheduled to be replaced or tested in
8 Phase 1A in accordance with the Plan. Because these distribution segments are intimately
9 interrelated with the Phase 1A transmission segments, we believe that it is more practical to
10 continue to include these distribution segments within the scope of our proposed Phase 1A work.
11 For example, replacement may require a new route and abandonment of all pipe between the start
12 and stop location, including any distribution segments. In other cases, the replacement may
13 require starting before, or stopping after, the Phase 1A identified station start and stop points to a
14 more practical and cost-effective point to connect to the existing pipeline. Similarly, a pressure
15 test of an entire continuous length of pipeline is likely to be more cost effective than the
16 performance of multiple pressure tests to exclude small portions of a pipeline classified as
17 distribution.

18 The majority of the distribution pipe included within the scope of Phase 1A of our
19 proposed Plan is adjacent to, or sandwiched between, transmission segments identified for action
20 in Phase 1A. This particular distribution pipe is described below in Table 1.
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Table 1

Pipeline	Non-Transmission Mileage	Total Project Mileage
404	0.18	37.80
1011	0.38	5.14
30-02	1.11	2.83
30-18	0.41	2.58
30-32	1.25	3.39
31-09	5.17	12.81
32-21	0.68	10.23
33-120	0.63	1.25
35-20-A	0.08	1.32
36-1006	0.63	0.73
36-1032	0.13	3.09
36-9-06	0.00	7.92
36-9-09 North	0.02	16.02
37-04	4.50	9.03
37-18	0.19	4.16
37-49	0.27	1.09
38-512	4.51	4.78
38-528	0.00	4.18
38-552	0.20	7.99
38-959	0.00	15.60
41-04-I	0.02	0.38
41-05	0.01	2.78
41-17	0.01	3.57
41-19	0.00	0.01
41-25-A	0.04	4.82
41-30	0.00	3.95
41-84-A	0.00	0.23
42-46	0.27	1.47
42-46-F	0.22	1.80
42-66-2	0.00	0.03
43-121	1.11	4.41
43-34	0.88	3.29
45-120	0.02	4.30
45-120XO1	0.00	0.01
49-14	0.30	2.45
49-15	3.26	6.91
49-26	0.01	2.62
49-28	1.21	4.89
Total	27.70	199.87

3

1 SoCalGas and SDG&E cannot make a final determination with respect to the ultimate cost
2 effectiveness on a segment-by-segment basis of including or excluding this distribution pipe in
3 Phase 1A until after the detailed engineering, design and project execution planning for these
4 projects is completed. Once that work is complete, a determination with respect to the potential
5 testing or replacement of each distribution segment identified above will be completed, and testing
6 or replacement of each of a particular segment in Phase 1A will only be performed if including it
7 within the scope of work is projected to be more cost effective than excluding it. The final Phase
8 1A scope of work will be specific to completing the testing or replacement of transmission
9 segments and will not include unnecessary or unassociated distribution pipe. Accordingly,
10 SoCalGas and SDG&E believe that it is both reasonable and appropriate to continue to include
11 these distribution segments in the proposed Plan until such a final determination can be made.

12 In addition to the distribution pipe identified above, there are also a small number of
13 distribution segments included in the plan that are not adjacent to or sandwiched between
14 transmission segments identified for action in Phase 1A, and are listed in Table 2. These
15 distribution segments can be separated from the Phase 1A scope of work since they are not
16 adjacent to or sandwiched between transmission segments. The planning scope did include these
17 distribution segments and they were subsequently assigned recommended actions as though they
18 were transmission segments. Table 2 includes an estimated direct cost reduction for the exclusion
19 of these distribution segments. A simple proration methodology was used to develop the cost
20 estimate for individual segments of distribution line that did not have separate costs available in
21 our existing workpapers.
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Table 2

Pipeline	Non-Transmission Mileage	Total Project Mileage	Total Estimated Cost (Capital)
1172BP2ST2	0.00	0.00	\$ 140,600
169	0.01	0.01	\$ 203,100
30-02	0.00	2.83	\$ 7,081
33-120	0.01	1.25	\$ 57,535
36-8-06	0.04	0.62	\$ 228,700
41-19	0.01	0.01	\$ 244,916
41-141	0.01	0.01	\$ 143,400
45-120	0.00	4.30	\$ 4,725
Total	0.08	9.03	\$ 1,030,057

The distribution segments included in the Plan that are not adjacent to or sandwiched between transmission segments represent only .01% of the total pipe identified for pressure testing or replacement in Phase 1A. When detailed engineering, design and execution planning is completed, SoCalGas and SDG&E will evaluate whether these particular distribution segments can be deleted from the Plan. Until that time, SoCalGas and SDG&E believe that it remains reasonable to continue to include the distribution segments identified in Table 2 in Phase 1A.

This concludes our Prepared Supplemental Direct Testimony.

1 **QUALIFICATIONS OF DAVID L. BUCZKOWSKI**

2 My name is David L. Buczkowski. I am employed by Southern California Gas Company
3 (SoCalGas) as the Director of Planning and Project Development. My business address is 555
4 West Fifth Street, Los Angeles, California 90013-1011.

5 I graduated from the University of Illinois in 1989 with a Bachelor of Science degree in
6 Mechanical Engineering. I have over 21 years of domestic and international experience in various
7 energy industries.

8 I have been employed by SoCalGas as the Director of Planning & Project Development
9 since May of 2011. In this position, my responsibilities include overseeing the project
10 management and project execution of major capital and expense gas infrastructure projects for
11 SoCalGas and SDG&E.

12 Prior to joining SoCalGas, I served as a project manager on several multi-billion dollar
13 mega-projects. Through my career my roles have included project management, engineering
14 management, start-up, and O&M engineering for projects in refineries, oil and gas processing
15 facilities, biofuels, and petrochemical plants. Project scopes included conceptual engineering,
16 basic engineering, front-end engineering, program management, and detailed engineering and
17 design, procurement and construction efforts. From 2001 to 2011, I worked for Fluor in various
18 project management positions of increasing responsibility, ultimately serving in the role of Project
19 Director. In that role, I had overall responsibility for project cost, schedule, and execution,
20 including engineering/design, procurement, contracts, and construction of large capital projects.

21 From 1997 to 2001, I was employed by Parsons Corporation, first as a Project Engineer,
22 then in various project management positions of increasing responsibility. From 1990 to 1995, I
23 was employed by Shell Oil Company, first as an Operations Support Engineer and subsequently in
24 various roles of increasing responsibility, including project management of major refinery projects
25 and ultimately ascended to the position of Start-Up Engineer for the Shell Refinery Expansion and
26 Clean Fuels megaproject.

27 I have not previously testified before the California Public Utilities Commission.