**BEFORE THE**

**PUBLIC SERVICE COMMISSION**

**OF THE**

**STATE OF GEORGIA**

**PRE-FILED DIRECT TESTIMONY**

**OF INTERVENOR,**

**NESTLE PURINA PETCARE COMPANY**

**PSC DOCKET NO. 42509**

**GEORGIA POWER COMPANY, PETITIONER**

**v.**

**WALTON ELECTRIC MEMBERSHIP CORPORATION, RESPONDENT**

**and**

**NESTLE PURINA PETCARE COMPANY, INTERVENOR**

**PRE-FILED DIRECT TESTIMONY FROM GOPI SANDHU ON BEHALF OF INTERVENOR NESTLE PURINA PETCARE COMPANY**

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| **BEFORE THE PUBLIC SERVICE COMMISSION**  **STATE OF GEORGIA** | |
| **GEORGIA POWER COMPANY,**  **Petitioner*,***  **v.**  **THE WALTON ELECTRIC MEMBERSHIP CORPORATION,**  **Respondent,**  **NESTLE PURINA PETCARE COMPANY,**  **Intervenor.** | **DOCKET NO. 42509** |

**PRE-FILED DIRECT TESTIMONY FROM GOPI SANDHU ON BEHALF OF INTERVENOR NESTLE PURINA PETCARE COMPANY**

PLEASE STATE YOUR NAME

A. My name is Gopi Sandhu

Q. BY WHOM ARE YOU EMPLOYED?

A. I am employed by Nestle Purina Petcare Company in St. Louis, MO.

Q. WHAT IS YOUR POSITION WITH NESTLE PURINA PETCARE COMPANY?

A. I am the Director of Engineering, Sustainable Operations.

Q. WHAT DOES THAT POSITION ENTAIL?

A. I manage the team that works with all of our North American facilities on environmental sustainability goals related to energy and water conservation and waste reduction. Our work includes review of factory electric and gas consumption, water resources planning, wastewater treatment, storm water, solid/hazardous waste, air pollution control, and refrigeration systems. My team is also involved in assessing environmental issues related to acquisitions and divestitures and promoting environmental regulatory compliance throughout our operations. We work with local regulators and community leaders to help us manage the environmental impact of our operations.

Q. HOW LONG HAVE YOU BEEN WITH NESTLE PURINA?

A. Almost 22 years.

Q. WHAT OTHER POSITIONS HAVE YOU HELD WITH NESTLE PURINA?

A. Senior Environmental Engineer, Principal Environmental Engineer, and Director of Environmental Engineering.

Q. WHERE DID YOU WORK BEFORE NESTLE PURINA?

A. I was an Environmental Engineer with Burns & McDonnell for 8 years.

Q. PLEASE GIVE US THE BENEFIT OF YOUR EDUCATIONAL BACKGROUND?

A. I have a Bachelor of Science in Civil Engineering from the University of Missouri-Kansas City and have done post-graduate coursework at the University of Kansas in Environmental Health Engineering.

Q. HAVE YOU BEEN INVOLVED WITH THE HARTWELL, GEORGIA FACILITY UNDER CONSTRUCTION BY NESTLE PURINA?

A. Yes, I was part of the site selection team for the Hartwell, Georgia site, and certain aspects of scoping the systems I mentioned above, as well as the environmental due diligence. I have also been involved with the procurement of electrical, waste, wastewater treatment, odor mitigation and other related services for the new Hartwell Factory under construction.

Q. DESCRIBE YOUR INVOLVEMENT IN THE SELECTION OF THE HARTWELL SITE FOR THE NEW FACTORY?

A. I was first involved in a paper review of over 100 potential properties identified by our consultant for potential siting of a new factory. That process resulted in 5 or 6 properties that our team actually visited in person. I first visited the Hartwell property in May of 2017 as part of the Purina leadership team’s first two walkthroughs and then several more times before closing on the sale. I have continued to visit the Hartwell property five or six times a year since we acquired it in November of 2017.

Q. WHAT MATERIALS DID YOU REVIEW AS PART OF YOUR INVOLVEMENT IN THE SITE SELECTION?

A Environmental database reports, broker materials, briefs prepared by various economic development contacts.

Q. I AM HANDING WHAT HAS BEEN MARKED AS SANDHU-1. WHAT IS IT?

A. A utility report. It was a review of public water supply and local/site wastewater treatment capabilities and infrastructure. From this we knew that we would need to design and construct a new on-site wastewater treatment plant (around $7MM) to support pet food manufacturing here.

Q. DID YOU REVIEW THOSE TYPES OF MATERIALS FOR THE HARTWELL PROPERTY?

A. Yes.

Q. DESCRIBE YOUR IMPRESSIONS OF THE HARTWELL PROPERTY WHEN YOU VISITED?

A. It had a very good location because of how we could access much, if not all, of the Southeast. It also had a lot of acreage and with the possibility to expand, and sufficient access to water, an important part of our food manufacturing process. The existing buildings and systems, however, were dilapidated. The facility had been largely abandoned for about 12 years. In its condition at the time, the property was completely unsuitable for food manufacturing. Unfortunately, it became clear once we acquired the old premises that portions of it would have to be demolished, the existing systems (electrical, storm water, wastewater, HVAC and airhandling, among others) would all have to be removed and replaced, and substantial portions of the roofing and floors completely replaced. The wastewater pretreatment system was designed for textile operations and was in disrepair. A new wastewater treatment system with different unit operations would be required to accommodate a food processing operation. There was also some environmental remediation needed with respect to a past diesel fuel leak into the soil and groundwater.

Q. DID YOU RECOMMEND THE HARTWELL PROPERTY?

A. Yes.

Q. WHY?

A. Because of its geography, size, potential room to grow, access to water, and the available work force in North Georgia and South Carolina. We also liked the lake and surrounding community for our future employees. It was apparent that local economy had not fully recovered since the Springs' plant's closure in 2006, but a strong employer like Nestlé Purina could really make a difference. The Southern Company representative we spoke with mentioned Georgia’s Customer Choice program. Although we lacked knowledge about the program at the time, we understood that there could be some options for renewables through the program. As a member of RE100, meaning we have committed to using one hundred percent (100%) renewable power, this is important to Nestlé. Subsurface soil and groundwater contamination were identified at levels that might have deterred us in some cases; however, the seller was willing to work with the State and Nestle Purina to address the impact of their past releases. At the time we also hoped that some of the buildings and their systems might be usable. For the most part, we were wrong, the systems were completely unusable and the buildings had to be substantially reconstructed to be suitable for food production. In fact, for a facility that was built in the 1990s, we were surprised at how bad a shape it was in when we purchased it and began to get into the bones and systems of the property. We were only able to use a portion of the electrical system in the Distribution Center.

Q. WERE YOU INVOLVED IN THE PREPARATION OF A RATING OR EVALUATION OF THE HARTWELL PROPERTY?

A. Yes.

Q. I AM HANDING WHAT HAS BEEN MARKED AS SANDHU-2. WHAT IS IT?

A. A portion of one of the ratings/evaluations prepared for the Hartwell Property.

Q. WHAT DOES IT SHOW?

A. It shows why we rated the Hartwell Property highly: location, acreage and room to expand, access to water, and workforce.

Q. WHAT WAS NESTLE PURINA LOOKING FOR IN A POTENTIAL SITE?

A. We were looking for a good location, meaning easy access to major transportation arteries, acreage – both in the site itself and acreage potentially available adjacent to the site that would allow us to expand, easy access to water for our production process, and access to sufficient power for a large new factory, including the ability to use renewable power. Nestle Purina has made a commitment as part of the RE100 to move towards 100 percent (100%) renewable power.

Q. PLEASE DESCRIBE YOUR IMPRESSIONS OF THE PREMISES WHEN YOU FIRST CAME ON SITE?

A. The location and acreage of the Hartwell Property were very good. It had easy access to several major population areas and it had room to expand. We were planning to build a facility with four (4) to twelve (12) production lines, which would require significant amounts of water and power. We were also told that Georgia had a customer choice option that we could potentially pursue to choose our electric service provider and we were aware that Georgia, as a State, was working on expanding its renewable energy options. Physically, however, the site was in pretty poor condition, it was overgrown and had safety hazards all over the site. The warehousing function it was being used for at the time was a marginal use for it at best, and there was no way the old premises could be used for the food processing and packaging we required.

Q. SINCE ACQUISITION WHAT HAS YOUR WORK FOR THE HARTWELL PROJECT ENTAILED?

A. I have worked on the conceptual design and contractor selection for the new wastewater treatment plant with close coordination with the City. My team has developed storm water management, heat and water recovery, and odor mitigation systems for the new factory. These systems are part of the two hundred and twenty million dollars ($220,000,000.00) Nestle Purina has spent constructing the Hartwell Factory. I have monitored the seller’s progress on addressing their historic subsurface soil and groundwater contamination with the State. Most recently, I have worked on the procurement of what we hope will be sustainable electrical services for the facility, using 100% renewable energy.

Q. DID YOU HAVE ANY CONVERSATIONS OR COMMUNICATIONS WITH GEORGIA POWER COMPANY AS PART OF THIS WORK?

A. Yes.

Q. HOW DID THOSE CONVERSATIONS GO?

A. Not as we had hoped. When we first inquired about renewable energy options for our new factory in early 2018, the only alternative offered to us by Georgia Power was their “Simple Solar” program, which is suitable for residential or light commercial operations. We expressed concern that this program would be cost-prohibitive for a large scale manufacturing operation like ours and asked if there were other options. None were provided. Georgia Power Company's representatives did not respond with proposals for the construction of a new substation and other necessary electrical equipment to serve the substantial load the Hartwell Factory will have. Additionally, Georgia Power Company was not able to offer a reasonable 100% renewable option from startup for us--which surprised and disappointed us. They said it would be several years before such an option might be available for our Hartwell facility.

Q. I AM HANDING YOU WHAT HAS BEEN MARKED AS EXHIBIT SANDHU-3. HAVE YOU SEEN ANY OF THESE EMAILS BEFORE?

A. Yes. Scott McClain forwarded me the ones involving him and Georgia Power Company and discussed with me the options for Georgia Power Company to potentially serve the new Hartwell Factory.

Q. DID YOU DISCUSS A POTENTIAL AGREEMENT FOR ELECTRIC SERVICE WITH GEORGIA POWER COMPANY?

A. No. A member of my team contacted Georgia Power to transfer utilities to our name at the time of acquisition (October and November of 2017), as is standard with any real estate acquisition. We have continued under Georgia Power Company's PL rate since that time to support the former Springs' tenants for a short period, but mainly to support our construction activities. We were told by Georgia Power Company that a retail agreement could be discussed in 2018 or 2019, as the construction neared completion.

Q. DID YOU ENTER INTO AN AGREEMENT WITH GEORGIA POWER COMPANY?

A. No. When we were approached about an agreement in February 2019 by Georgia Power Company, we made it clear that we were still evaluating our options under Customer Choice. A key driver was our need to procure cost-competitive options for renewable energy, and we were told by Shelby R. Holsomback that Georgia Power could only offer Simple Solar, which is not an appropriate option for a facility of this size.

Q. DID YOU ALSO COMMUNICATE WITH WALTON EMC REGARDING IT PROVIDING ELECTRIC SERVICE TO THE FACILITY?

A. Yes.

Q. WHAT DID YOU LEARN FROM THOSE COMMUNICATIONS?

A. Walton EMC, specifically Ronnie Lee and Hudson Kingery, told us they were ready to begin design and construction of a new substation and any other necessary infrastructure to supply us with a connected load of 25 MW at initial full operation. Walton EMC also provided us with a renewable energy option from startup, something that is very important to Nestle Purina as it tries to reduce its carbon footprint.

Q. DID YOU ENTER INTO AN AGREEMENT WITH WALTON EMC TO PROVIDE ELECTRIC SERVICE TO THE HARTWELL PROPERTY?

A. Yes, we have signed a letter of intent with Walton EMC and the agreement is in the process of being finalized.

Q. DID YOU REVIEW THAT LETTER OF INTENT?

A. Yes.

Q. I AM HANDING YOU WHAT WILL BE MARKED AS EXHIBIT SANDHU-4 TO YOUR TESTIMONY IN THIS PROCEEDING. IS THIS DOCUMENT THAT LETTER OF INTENT?

A. Yes.

**INTERVENOR NESTLE PURINA RESERVES THE RIGHT TO SUBMIT ADDITIONAL EXHIBITS IN ACCORDANCE WITH THE AGREED UPON AUGUST 23, 2019 DATE TO EXCHANGE EXHIBITS SET FORTH IN THE SCHEDULING ORDER**