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July 21, 2023

Via Alternative Electronic Filing

Ms. Sallie Tanner
Executive Secretary
Georgia Public Service Commission
244 Washington Street S.W.
Atlanta, GA 30334-5701

RE: Amended Petition For Approval to Acquire Real Estate By Condemnation
In Re: Sandersville Railroad Company; Hancock County, Georgia
Acquisition; Docket No. 45045

Dear Ms. Tanner:

For filing in the above-styled docket, please find the enclosed *Direct Testimony of Benjamin J. Tarbutton III* on behalf of Sandersville Railroad Company. As required by the electronic filing procedures, a physical copy of this filing will be mailed to the Commission. Thank you for your attention to this matter.

Should you have any questions, please do not hesitate to contact our office.

Sincerely,

L. Craig Dowdy
For TAYLOR ENGLISH DUMA LLP

LCD:wf
Enclosure

cc: Nancy G. Gibson (w/encl.)
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BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

In Re: Sandersville Railroad Company's Petition For Approval to Acquire Real Estate by Condemnation	**Docket No.: 45045**

DIRECT TESTIMONY OF BENJAMIN J. TARBUTTON, III

on behalf of Sandersville Railroad Company

July 21 2023

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INTRODUCTION

Q. PLEASE STATE YOUR NAME, EMPLOYER, TITLE, AND BUSINESS ADDRESS.

A. My name is Benjamin ("Ben") J. Tarbutton, III, I am President of the Sandersville Railroad Company (the "Railroad" or "Sandersville Railroad"). My business address is 206 North Smith Street, P.O. Box 269, Sandersville, Georgia 31082.

Q. STATE YOUR EDUCATIONAL BACKGROUND, AND WORK EXPERIENCE.

A. I received a bachelor's degree of science in management from the Georgia Institute of Technology in 1994. I have worked for Sandersville Railroad for 29 years and held various roles with the Railroad.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS COMMISSION?

A. I have not previously testified before the Commission.

Q. WHAT IS THE HISTORY AND BUSINESS OF SANDERSVILLE RAILROAD?

A. Sandersville Railroad is a state-chartered railroad company, founded in 1893. The Railroad is a shortline railroad. The Railroad currently operates 10 miles of mainline track in Sandersville, Georgia, Tennille, Georgia, and unincorporated

Washington County and provides contract switching services for industries desiring to ship on Norfolk Southern's ("NS") rail system. The railroad also has the ability to provide storage services and transloading services.

The Railroad owns and operates 5 locomotives, 2 boosters, and over 600 railcars. Sandersville is known as the "Kaolin Capital of the World," and the Railroad is the largest rail originator of Kaolin in the world. Kaolin is a white, alumina-silicate clay used in a variety of products, including, but not limited to, medicine, paper, paint, cosmetics, rubber products, plastics, insulation, and porcelain. In addition to Kaolin, the Railroad also hauls forestry products, including, but not limited to, timber and wood chips, agricultural products, and refined products, such as plastic pellets and lumber. The Railroad interchanges 4 times a day with one of NS's 8 daily through trains, in Tennille, Georgia, which is 3 miles south of Sandersville.

Q. WHAT IS A SHORTLINE RAILROAD?

A. A shortline railroad is a railroad that operates on a relatively short distance as compared to national railroad networks. Shortline railroads generally perform one or more of the following functions: (1) connect industries by rail; (2) interconnect rail traffic with larger railroad networks; and/or (3) carry passengers. Sandersville Railroad performs the first two functions.

Q. HOW MANY SHORTLINE RAILROADS ARE THERE IN GEORGIA?

A. There are approximately 2 dozen shortline railroads in the state of Georgia. However, Sandersville Railroad is the only shortline railroad providing switching services in the east middle Georgia region which includes Washington and Hancock Counties.

Q. HOW DOES SANDERSVILLE RAILROAD GIVE BACK TO THE COMMUNITY?

A. We are active in the Washington County Chamber of Commerce. As a company, we sponsor events such as those for local law enforcement and first responders. Our company is a part of the Washington County Alliance for Literacy, and, through that alliance's work with Oconee Fall Line Technical College, the Railroad sponsors literacy scholarships for local students. The Railroad also is a sponsor of Washington County High School's booster club.

As an individual, I give back to the community by serving on the board of the Development Authority of Washington County. For over 25 years, I have been active in the Georgia Chamber of Commerce. I currently serve on the board of the Georgia Ports Authority. I also spent 14 years as a member of the Georgia Board of Regents.

In short, the Railroad and I strive to give back civically and philanthropically to our hometown, county, and state.

Q. WHAT IS THE STATE OF THE ECONOMY IN EAST MIDDLE GEORGIA, SUCH AS HANCOCK COUNTY AND WASHINGTON COUNTY.

A. Over the past 25 years, many textile and manufacturing jobs departed our counties. The best jobs that do remain are in the Kaolin mines of Washington County and the granite mines of Hancock County. Kaolin mining has been a large part of the economy in Washington County for over 100 years. The population in both counties has been waning. As part of my work on the Development Authority of Washington County, we have worked to overcome this shortfall in jobs and loss of population by attracting industries and employers.

Q. DESCRIBE THE HANSON SPUR.

A. The Hanson Spur is a 4.5-mile spur line that will connect the CSX Transportation ("CSXT") Camak line east of Sparta, Georgia with the Hanson Quarry on Shoals Road southeast of Sparta, Georgia. The spur will run through pasture and timberland. The spur's path was developed through extensive consultation with engineering and environmental consultants, such as, but not limited to, Croy Engineering and CorBlu. The train will serve multiple industries located at and adjacent to the Hanson Quarry.

The spur will provide environmental benefits because trains are much more efficient than trucks in terms of hauling capacity and associated emissions, and the spur will reduce the number of trucks traveling on local roadways, thereby improving safety on the roads and reducing road repair costs borne by the County,

surrounding communities, and the state.

The spur will also provide tremendous economic development opportunities for our customers that have committed to utilize the spur and for future industries that will be attracted to Hancock County based on the proximity of state highways and, now, the Hanson Spur and its short line switching ability.

Q. WHY IS THE SPUR CALLED THE HANSON SPUR?

A. The spur is called the Hanson Spur because it connects the CSX Transportation ("CSXT") Camak line east of Sparta, Georgia with the quarry southeast of Sparta, Georgia operated by Heidelberg Materials that colloquially is known as the Hanson Quarry. The Hanson Spur will also have a pullback track that runs south of Shoals Road.

Q. WHAT LED YOU TO PROPOSE THE IDEA FOR THE HANSON SPUR?

A. In my role as President of the Railroad, I am always looking for new opportunities. For over 100 years, we only have been able to offer local industries, including the Kaolin industry and east middle Georgia grain, cotton, corn, and timber farmers, access to the NS rail system. For our customers to access the CSXT rail system, and the markets that are exclusively served by CSXT, those customers had to pay switching charges. Those switching costs often make transportation by rail uneconomical; and, in many cases, leave local industries, companies, and

farmers unable to reach certain markets and off takers.

To solve this inefficiency, I began looking for opportunities for a spur line that could serve east middle Georgia industries, companies, and farmers with access to the CSXT rail system.

I identified the Hanson Quarry as a potential users of such a spur and as a location for development of industries because of the land adjacent to the Quarry that could be utilized by other spur users. After discussion with Heidelberg Materials, and Heidelberg's commitment to utilize the spur, we began designing the spur, which Mr. Teague will discuss in his testimony. Since then, we've had numerous other companies and industries commit to using the spur. For instance, Pittman Construction Company ("Pittman Construction") is collocated at the Hanson Quarry and will use the spur for transportation of liquid asphalt. Our other customers include Southern Chips LLC ("Southern Chips"), Veal Farms Transload, LLC ("Veal Farms Transload"), and Revive Millings, LLC ("Revive Millings"). The spur will also serve any other shipper that wants to use Sandersville Railroad's contract switching services on agreed terms and rates based on the nature of the switching service requested.

Q. HOW DID YOU IDENTIFY OR PROSPECT THE OTHER USERS OF THE SPUR?

A. When we, as a company, identified the Hanson Spur as a viable spur route that would be beneficial to the local economy, we began prospecting potential users

of the spur. Because they are collocated at the Hanson Spur, Pittman Construction was an obvious user of the spur. Additionally, many of our existing customers, such as Southern Chips, Veal Farms Transload, and Revive Millings, have committed to using the spur because of the access that it will provide them to markets only served by rail through the CSXT system. Given the number of users that have already committed to using the spur, we are confident that the spur will serve as an engine for further economic development in Hancock County.

Q. HOW IS THE RAILROAD GOING TO OPERATE THE SPUR?

A. The Railroad will be operated by one of our existing train crews, which will operate the spur Monday through Friday. From the CSXT line, we will bring rail cars to the Hanson Spur. At the Hanson Spur, there will be sidings adjacent to the spur which our various customers can use to load or off load cars with their respective products and/or materials. One round trip per day, during day light hours, will serve all our customers on the Hanson Spur. The train will be operated at less than 20 miles per hour.

Q. WHAT WILL THE RAILROAD BE HAULING OVER THE SPUR?

A. It will be hauling aggregates, wood chips, liquid asphalt, and various agricultural products, such as wheat, soybeans, and corn.

Q. WILL HAZARDOUS MATERIALS EVER BE HAULED OVER THE SPUR?

A. The Railroad has no plans to haul hazardous materials. Additionally, we do not serve and have no plans of serving customers that require the hauling of hazardous materials.

Q. WHAT IS THE RAILROAD'S APPROACH TO SAFETY AND OPERATIONS?

A. As a railroad, we operate in compliance with all state, federal, and local laws. Our train crews have decades of experience. We have mandatory safety training. We pride ourselves on safety and pay close attention to every foot of track and make sure our rail is always in the best operating condition.

Q. RECENTLY, IN THE NEWS, THERE HAVE BEEN STORIES ABOUT CATASTROPHIC TRAIN DERAILMENTS; HAS THE RAILROAD EVER EXPERIENCED A DERAILMENT THAT RESULTED IN MULTIPLE CARS TIPPING OVER AND SPILLING HAZARDOUS CARGO?

A. No, we have not. And, I would note again that the train will make one roundtrip per day at a low speed. Also, as I stated, we do not carry or anticipate carrying any hazardous materials on the Hanson Spur.

Q. IS THE SPUR NECESSARY FOR THE PROPER ACCOMMODATION OF THE BUSINESS OF THE COMPANY?

A. Yes, there are only 2 major, Class 1 railroads east of the Mississippi River: CSXT and NS. These railroads are focused on end-to-end transportation and are not in the business of multiple stops. Additionally, these railroads focus on unit trains which generally consist of 85 rail cars or more per train.

Most of our future and current customers ship only 5-10 carloads of freight at a time, substantially less than a unit train. Sandersville Railroad provides a service to these customers by providing direct access to the NS's system, which they otherwise would not have. There is no shortline railroad or ground facility providing such services to businesses and industries in eastern middle Georgia right now.

For our customers and other businesses in eastern middle Georgia to access the CSXT system, they must ship on the NS line and then switch to the CSXT system, paying a substantial switching cost per car that often makes reaching an end market, user, or producer uneconomic via rail. As a result, depending on the economics, these products cannot reach certain markets or are only economic to ship to these markets via truck. Consequently, many industries, farmers, and small businesses in eastern middle Georgia cannot access markets that are only served by CSXT and, therefore, do not have rail access to many parts of the country. For example, NS does not serve New York state and New England generally; on the other hand, CSXT reaches these markets directly.

In short, the Hanson Spur will be an important point of origin for industries,

farmers, and small businesses in Middle Georgia.

Q. IS SHIPPING BY RAIL ENVIRONMENTALLY FRIENDLY?

A. Yes, as compared to truck transportation, a rail car in capacity is equivalent to 4 over the road trucks. Trains can haul in a more environmentally friendly way compared to truck in terms of CO2 emissions.

Q. Does this conclude your testimony?

A. Yes.

BEFORE THE
GEORGIA PUBLIC SERVICE COMMISSION

In Re: Sandersville Railroad Company's Petition For Approval to Acquire Real Estate by Condemnation	**Docket No.: 45045**

CERTIFICATE OF SERVICE

I certify that I have this day served a copy of the foregoing **Direct Testimony of Benjamin J. Tarbutton, III** upon the following persons by causing electronic copies of the same to be transmitted to each party that has supplied a valid email address and upon all other parties via first class mail with adequate postage affixed thereon and deposited in the United States Mail addressed as follows:

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This 21 day of July 2023.



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