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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 Arnie Pittman* 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.)
Rob Trokey (w/encl.)
Steven L. Jones (w/encl.)
Robert Highsmith/Laura Flint (w/encl.)

Don and Sally Garrett (w/encl.)
Blaine and Diane Smith (w/encl.)
Grant E. McBride, Esq. (w/encl.)
Elizabeth L. Sanz/Renee D. Flaherty (w/encl.)
Marvin and Pat Smith (w/encl.)
William R. Maurer (w/encl.)

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 ARNIE PITTMAN

to be presented as a panel consisting of
Jeff Custer, Scott Dickson, Arnie Pittman, and Cale Veal
on behalf of Sandersville Railroad Company

July 21, 2023

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INTRODUCTION

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

A. My name is Louie Arnold ("Arnie") Pittman, III. I am the President of Pittman Construction Company ("Pittman Construction"). My business address is 1487 Farmer Road NW, P.O. Box 155, Conyers, Georgia 30012-7016.

Q. STATE YOUR EDUCATIONAL BACKGROUND, WORK EXPERIENCE, AND YOUR ORGANIZATION'S BACKGROUND.

A. I received a Bachelor of Arts in Business Administration, in 1989, from Furman University. After graduating, I joined Pittman Construction and have been with the company ever since.

My great-great-grandfather, Frank A. Pittman, started the predecessor of Pittman Construction, in 1884, as a commercial building contractor. By the 1940s, Pittman Construction's predecessor was offering concrete paving services. Later, in 1958, we started offering concrete flatwork. Pittman Construction, in its current corporate form, was formed in 1961. In the late 1960s, we began offering grading and drainage services. Since then, we have evolved into a full-service heavy highway construction contractor. We offer asphalt paving, concrete, and grading services and construct all components of highways except bridges, which are typically constructed by specialized firms.

In the 1980s, Pittman Construction acquired an asphalt plant in Lithonia,

Georgia and began offering asphalt paving services. We still own that plant. Over the years, we have acquired or constructed other plants. We currently operate 8 asphalt plants in or near the Cities of Lithonia, Georgia; Oxford, Georgia; Buckhead, Georgia; Silom, Georgia; Sparta, Georgia; Jefferson, Georgia; Demorest, Georgia; and Dillard, Georgia. All these plants, except for the plant in Demorest, Georgia, are located on land we rent inside of quarries. This "colocation" allows us to source the aggregate required for asphalt directly at our asphalt plants. Our Sparta plant is located inside what is colloquially known as the Hanson Quarry. Our plants provide asphalt to our highway construction business unit and sell asphalt directly to other companies.

Pittman Construction is also a member in APS Partners LLC ("APS"), a liquid asphalt terminal company with its facility in Lithonia, Georgia. APS receives liquid asphalt at this terminal by rail and then ships that hot asphalt, by truck, to asphalt plants. APS's terminal is near our asphalt plant in Lithonia and supplies, by truck, the majority of the liquid asphalt used in all our asphalt plants.

Q. WHAT IS LIQUID ASPHALT?

A. Liquid asphalt, next to aggregate, is the second largest component in asphalt. Liquid asphalt (also known as "bitumen", "asphalt cement", or "asphalt binder"), when not artificially heated, is a highly viscous liquid or semi-solid form of petroleum. When it is heated, it becomes less viscous or, in other words, when heated, it is in a more free flowing liquid state. Liquid asphalt is usually shipped in a cold state. Liquid asphalt is the glue or "binder" that is mixed with aggregate (from, for

instance, the Hanson Quarry) to create asphalt for road construction.

Liquid asphalt is a biproduct of oil refinement. In oil refinement, liquid asphalt is the "heavy" part of crude oil that remains after the volatile, "light" fractions are distilled from the crude to produce gasoline, diesel, and aviation fuels. All of Pittman Construction's liquid asphalt comes from oil refineries. Because there are no oil refineries in Georgia, liquid asphalt must be shipped to Georgia, and it is generally shipped by rail to liquid asphalt terminals, such as APS's liquid asphalt terminal in Lithonia.

Q. HOW WILL PITTMAN CONSTRUCTION USE THE HANSON SPUR?

A. The Hanson Spur will allow us to ship liquid asphalt directly from our suppliers (typically, oil refineries) to our Sparta facility, greatly reducing the need to ship liquid asphalt by rail to the Lithonia terminal and then ship it by truck on local roads to our Sparta facility. The Hanson Spur will also provide a terminal facility closer to our Siloam plant than the Lithonia terminal facility.

To make this happen, we will have to construct a terminal facility at our site within the Hanson Quarry. Our terminal equipment will include a $1 million to $1.5 million investment in equipment on site. This will increase our investment within the local community and our annual ad valorem tax paid to Hancock County for the equipment. We will also likely need to expand our employment base, creating jobs for local residents.

This is an opportunity for Pittman Construction to build a liquid asphalt

terminal facility located directly adjacent to an aggregate source, greatly reducing the need to truck liquid asphalt to the Sparta plant. The construction of the terminal facility at the Hanson Quarry will also reduce the distance that trucks must travel from a rail terminal to our Siloam plant.

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 Arnie Pittman** 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 21st day of July 2023.



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