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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 Scott Dickson* 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.)
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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 SCOTT DICKSON

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 Scott Dickson, and I am the President of Heidelberg Materials ("HM") Southeast Region. HM produces and ships cement and cementitious products, construction aggregates (i.e., crushed stone, sand, and gravel), and concrete across the Southeast Region. HM's Southeast Region covers the 5 states of Alabama, Florida, Georgia, North Carolina, and South Carolina. I am a Mechanical Engineer. I received my bachelor's degree in applied science in mechanical engineering from the University of British Columbia, in 1990, and an Executive Masters of Business Administration from Simon Fraser University in 1999. I was registered as a Professional Engineer in Canada but have since allowed that registration to lapse as, today, my job is principally focused on general management. My business address is 3237 Satellite Boulevard, Building 300, Suite 210, Duluth, Georgia 30096.

I have over 30 years of experience in the production and manufacture of heavy construction materials—namely, cement, supplemental cementitious materials, aggregates, and ready-mix concrete.

At the outset of my career, I spent 12 years in the Cement and Concrete industry in greater Vancouver before immigrating with my family to the United States at the invitation of Lehigh Cement, a predecessor company to Heidelberg Materials. At Lehigh Cement, I was the Senior Manager of Strategy and Development for almost 3 years. Then, I became an Area Operations Manager for

Hanson Aggregates in Arizona, and held that position for almost 3 years. After that, for almost 13 years, I was the Vice President of Aggregate Technical Services for Lehigh Hanson North America. Next, for 9 years, I was the Vice President and General Manager of Hanson Aggregates Southeast, before becoming President of HM Southeast Region.

I am the former President of the Georgia Construction Aggregates Association, and I sit on the Board of Directors for the National Sand Stone and Gravel Association.

Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE COMMISSION?

A. No, I have not previously testified before the Commission.

Q. PLEASE EXPLAIN HM'S BUSINESS.

A. HM is an international supplier of heavy construction materials. Our company is in 50 countries and is publicly listed on the DAX exchange in Frankfurt, Germany. We are a leading producer of cement and cementitious products (i.e., concrete mixtures). Our company has set the most aggressive targets within the cement industry for reducing the effects of greenhouse gases as we build towards a net zero future. We are a leading producer of construction aggregates and our commitment to sustainability includes goals to be a leading recycler of concrete into circular aggregate products, which are created by crushing waste concrete and

recovering and reusing the concrete's constitute aggregates. The logistics of getting our products to market is a major contributor to reducing greenhouse gases and our CO2 footprint.

Q. WHAT IS HM NORTH AMERICA?

A. HM North America employs 9,000 people across 450 locations and produces cement, cementitious products, construction aggregates, concrete, hot mix asphalt, and related construction materials. We shipped more than 130 million tons of construction aggregates in 2022. Of that volume, 7.5% or 10 million tons were moved by rail to customers or from supplying quarries to terminal locations. The Southeast Region, of which I am president, moved more than 500,000 tons of construction aggregates by rail over 1.2 million track miles in 2022. Moving those materials via rail instead of by truck is estimated to create 6 tons of CO2 savings per year.

Q. WHAT ARE THE MATERIALS PRODUCED AT THE SPARTA QUARRY USED FOR?

A. HM's Sparta Quarry provides construction aggregates to suppliers of ready-mix concrete, producers of hot-mix asphalt, and to general contractors involved in residential and civil construction. In the last 3 years, the Sparta Quarry provided materials for the following major infrastructure projects in Hancock County and neighboring areas:

1. Sandersville Bypass – 140,000 tons of aggregates;
2. Fall Line Freeway widening – 200,000 tons of aggregates; and

3. Washington & Jefferson County resurfacing projects – 180,000 tons of aggregates.

Q. IF YOUR COMPANY IS HEIDELBERG MATERIALS, WHY IS SANDERSVILLE RAILROAD COMPANY'S PROPOSED RAIL SPUR CALLED THE HANSON SPUR?

A. Heidelberg Cement acquired the shares of Hanson PLC in the fall of 2007. The two entities in North America were merged under the local brand names into Lehigh Hanson Inc. Local quarries retained their original brand names. The Sparta Quarry was under the Hanson name. So, it is colloquially referred to as the "Hanson Quarry." At HM, we call the Hanson Quarry the Sparta Quarry. On January 1, 2023, Lehigh Hanson consolidated all of its North American brands under the brand Heidelberg Materials. We are the same company, just a new brand name.

I want to note that, in addition to HM, there would be other customers for switching services over the Hanson Spur. The spur is called the Hanson Spur because it terminates at our Sparta Quarry, with a pullback track on the other side of Shoals Road.

Q. WHY IS INCREASING PRODUCTION AT THE SPARTA QUARRY IMPORTANT?

A. The Sparta Quarry is important to continuing infrastructure development in the Southeast. The coastal areas of Georgia, North Carolina, and South Carolina

are overlaid by sands that are hundreds of feet deep. As you travel inland, there are no suitable sources of construction aggregates for 75 – 150 miles until you hit the geologic contact known as the "fall line". The fall line is the edge of the rocky coastline from the last ice age. Construction aggregates are produced in granite quarries along the fall line and railed out or trucked out to coastal markets or imported to coastal markets by ocean-going vessels. Examples of coastal markets are Savannah, GA, Charleston, SC, and Wilmington, NC, all of which are supplied by both rail and water.

HM supplies Savannah, GA from our Monroe County quarry in Bolingbroke, GA via rail. HM supplies Morehead City, NC from our Neverson Quarry in Sims, NC via rail.

Q. HOW DO YOU INTEND TO USE THE HANSON SPUR?

A. HM's Sparta Quarry has mined and shipped approximately 12 million tons of aggregates since it started operations in 1987. We supply construction aggregates to local concrete producers, hot mix asphalt producers, and general construction contractors. However, HM's Sparta Quarry is underutilized because of its distance to urban and industrial centers. It currently ships 250,000 to 350,000 tons into the local construction market by truck. The plant has the capacity to produce up to 700,000 tons per year.

The Sparta Quarry is within 4 miles of the CSX Transportation ("CSXT") Camak line. HM competitors in the greater Sparta area that are adjacent to the CSXT mainline use that mainline to supply construction aggregates into Charleston, SC,

Savannah, GA, and as far as Orlando, FL. A connection to the CSXT Camak line will allow us to also supply those markets. In other words, rail will allow us to connect under-utilized quarries with under-served markets as efficiently as possible. Rail is also a preferred mode of transportation because it is more cost effective and environmentally friendly (in terms of CO2 production) than shipping by truck.

HM initially considered increasing the number of trucks on the road to carry aggregates from the Sparta Quarry to a siding along the CSXT mainline. At that siding, the aggregate would be unloaded from the trucks and loaded onto rail cars that would transport construction aggregates to Canadys, SC, Savannah, GA, and Jacksonville, FL.

Sandersville Railroad Company (the "Railroad" or "Sandersville Railroad") approached HM to provide a better solution—a spur line connection to the CSXT Camak line. The spur would eliminate the need for truck transfer of up to 400,000 tons per year, saving roughly 20,000 truck trips per year. This would reduce road traffic, dust, noise, and the risk of traffic accidents. It would also concentrate the movement of heavy goods to a more efficient and environmentally friendly mode of transport, while reducing wear and tear on streets, highways, and bridges.

To move 400,000 tons per year in batches of, for example, 50 rail cars equates to 2 train trips per week as opposed to 100 truck trips per day to move the same volume of material. Trains haul 100 – 115 tons per car. Dump trailers can haul, on average, 24 tons per trip, requiring 4 to 5 times as many trips.

HM has the ability to acquire 73 acres in Canadys, SC, immediately adjacent

to the CSXT mainline. The Canadys location will allow HM to supply ready-mix concrete and asphalt to customers who are located near the intersection of I-95 and I-26 in South Carolina.

The South Carolina Department of Transportation ("SCDOT") has major investment plans to widen I-26 to 3 lanes in both directions from Charleston, South Carolina to Columbia, South Carolina between 2023 and 2029. HM would be well situated to supply roughly 50 miles of this widening and resurfacing work, using materials derived from the Sparta Quarry by local employees. SCDOT's near-term highway rehabilitation program also includes the resurfacing of the I-95 corridor.

The Canadys location would also make HM a competitive option for construction materials to supply the new Volvo SUV manufacturing campus near Ridgeville, South Carolina.

HM leases significant tracts of land in Jacksonville, Florida, with rail connectivity to CSXT. HM estimates that there is a shortage of 3 to 4 million tons per year of aggregates needed for construction projects in North Florida. Vulcan Materials has experienced a significant interruption in marine supply from their 10 million ton per year quarry in Yucatan, Mexico. Martin Marietta, another building material company, has experienced quality issues with their marine-based stone from the Bahamas, reducing marine imports to Florida. The supply shortfall is being, and can further be supplemented by, added rail shipments from Georgia. The Hanson Spur will permit HM the opportunity to help fill this shortage of material.

The addition of rail service to our Sparta Quarry will allow HM to produce an

additional 400,000 tons of construction aggregate per year in a much more economical and environmental and community friendly manner than by truck. To do so, HM anticipates hiring 8 to 10 additional employees to support quarry operations, crushing and screening, maintenance, and rail loadout. On average, these jobs will pay $90,000 per year, inclusive of overtime, with good benefits.

The quarrying industry is an energy and maintenance-intensive business. In addition to wages paid to local employees and landowners, just over $7 is spent in the communities where we work for every ton of stone that leaves the quarry. That money is spent on fuel, electricity, parts, hardware supplies, safety supplies, office supplies, food and catering services, and contractors providing maintenance and repairs to equipment and drilling and blasting services. Our total annual expenditures for operations at the Sparta Quarry are over $4 million dollars, most of which remains in Georgia and local communities.

The addition of rail lines to connect the Sparta Quarry to the CSXT mainline will require additional investments in rail sidings, front-end loaders, haul trucks, and rail cars to serve the new terminal locations. These capital investments are estimated at $6 million dollars, which will generate additional ad valorem tax for Hancock County.

Q. WHAT ACTIONS WILL HM TAKE TO MINIMIZE DISTURBANCE, IF ANY, CAUSED BY THE QUARRY AND ITS NEW RAIL LINES?

A. HM already has systems in place to minimize noise, disturbance, and

emissions from the Sparta Quarry. Additionally, HM abides by all the terms of its many permits issued by the Georgia Department of Natural Resources ("GDNR"), such as its water discharge permits, its mining permit, and its air permit.

HM is required to sample discharge water on a monthly basis. The 2022 and year-to-date 2023 results of those water tests were in full compliance with all applicable permit limits. Additionally, HM's air permit requires it to maintain water sprays on all crusher stations and to operate water trucks to help control fugitive dust emissions in heavily traveled areas. HM maintains daily records of dust inspections as required by GDNR.

HM's mining permit demands strict control of blasting vibrations and noises generated by mining activities. Vibration limits are established to prevent damage to neighboring structures. HM maintains 2 vibration monitors to track and record the results of all quarry blasts. These monitors are provided and maintained by an independent third party. A report is issued to the Plant Manager, Area Operations Manager, and General Manager anytime vibration triggers the monitors. HM works collaboratively with our drilling contractors, blasting contractors, and internal experts to assess blasting vibration levels on a semi-annual basis. The results of those monitoring activities over 2022 and YTD 2023 show full compliance with all applicable legal (and safe) limits.

Additionally, the quarry by choice maintains operations between the hours of 7:00 am and 6:00 pm Monday to Friday. Saturday operations are only scheduled in periods of extraordinary demand or at the specific request of customers.

With the expansion of the quarry, noise will be mitigated by the presence of perimeter berms surrounding the quarry and processing plant. Presently, at the Sparta quarry, there are only berms around the mining pit; there are no berms around the processing plant. The berms that will be constructed when the quarry expands will provide visual screening of the quarry as well as the relevant portion of the Hanson Spur, and they will deflect most noise upwards and away from neighborhood areas. Of course, at the entrance to the quarry area, there will be no berms to allow for safe ingress and egress of customer truck and venders helping to service our quarry. The portion of the Hanson Spur that is within the Sparta Quarry will also be within the berms so as to minimize noise from locomotives and machinery used to load and/or unload rail cars. A map showing the new berms is attached hereto as **Exhibit "SD-1."**

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 Scott Dickson** 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.



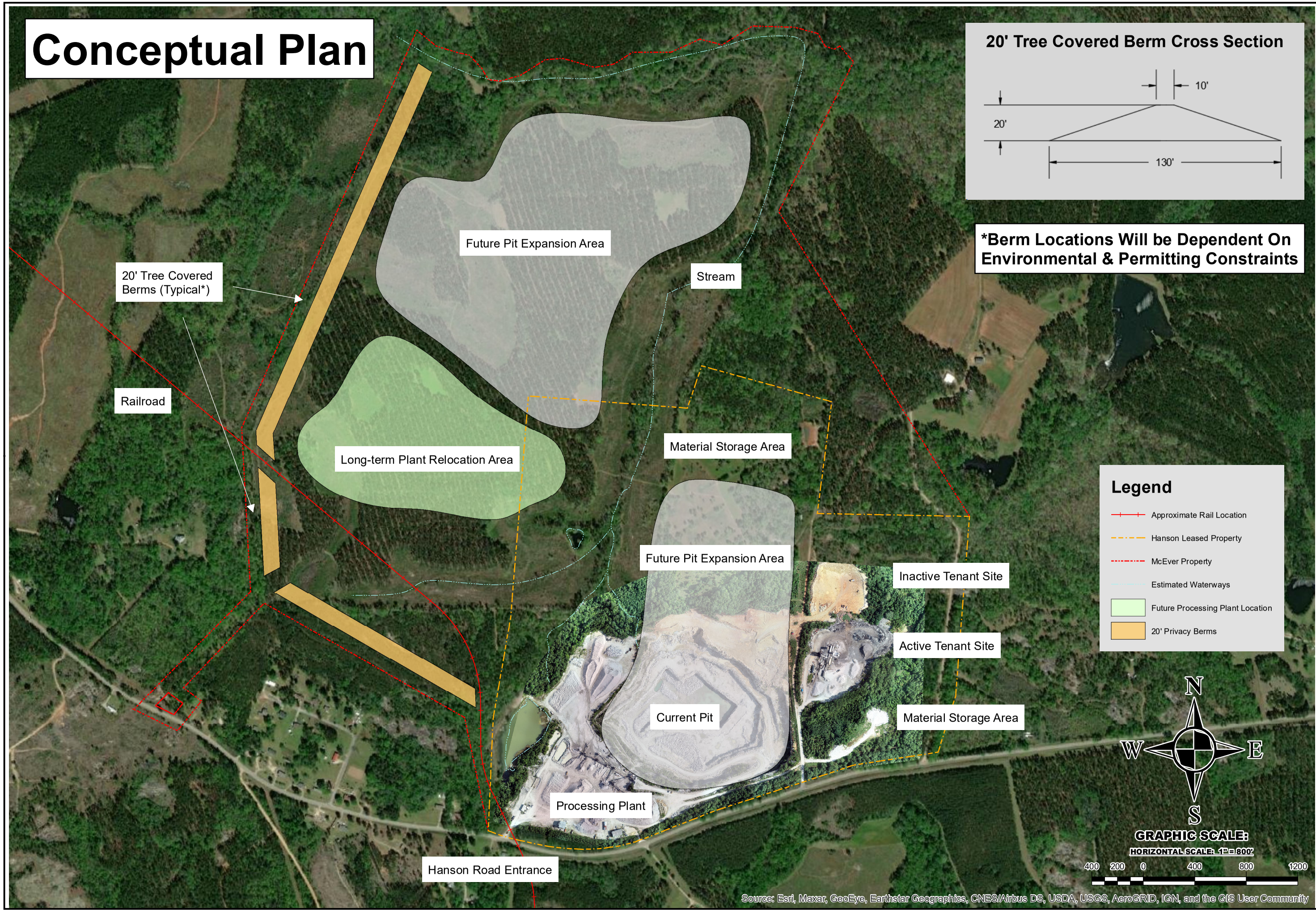
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EXHIBIT “SD-1”

Conceptual Plan



20' Tree Covered Berm Cross Section

***Berm Locations Will be Dependent On Environmental & Permitting Constraints**

Legend

- Approximate Rail Location
- Hanson Leased Property
- McEver Property
- Estimated Waterways
- Future Processing Plant Location
- 20' Privacy Berms

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W E
S

GRAPHIC SCALE:

HORIZONTAL SCALE: 1"= 800'

400 200 0 400 800 1200

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Lehigh Hanson
HEIDELBERGCEMENT Group

FLIGHT DATE: 8/2/22

LEHIGH HANSON
REGION SOUTHEAST
SPARTA
GA

Conceptual Plan:
Site Map

DESIGNED:
DRAWN: L. FROST
CHECKED:
DATE: 8/5/22
REGION: SOUTH
LOCATION:
FILE:

SCALE:
HORIZONTAL:
1" = 800'
VERTICAL:
NA

SHEET NO.:
1
OF: _____