

RECEIVED

RENEWCO-MEADOW BRANCH, LLC

SEP 30 PM 4:07

DIRECT TESTIMONY OF IRA GREG PEARL

IRA. DEPT. ROOM

BEFORE THE TENNESSEE REGULATORY AUTHORITY

DOCKET NO. 10-00179

SEPTEMBER 28, 2010

1 Q. State your full name, title and business address.

2 A. My name is Ira Greg Pearl. I am the CEO of Renewco, LLC (“Renewco”) and CEO of
3 Renewco-Meadow Branch, LLC (“Renewco-MB”). I also hold the position of Vice
4 President – Technology and Environmental Sustainability within AGL Resources Inc.
5 My business address is 10 Peachtree Place NE, Atlanta, Georgia 30309.

6 Q. What is the general corporate structure of Renewco and Renewco-MB?

7 A. Renewco is a joint venture formed between AGL Resources Inc. and Keystone Renewable
8 Energy, LLC (“Keystone”). Due to Keystone’s experience and relationships with landfill
9 gas (“LFG”) projects, Renewco-MB has engaged Keystone to provide certain
10 professional services in connection with a LFG project at the Meadow Branch Landfill
11 (“MB Landfill”) located in Athens, Tennessee. Renewco-MB is a wholly-owned
12 subsidiary of AGL Resources Inc. AGL Resources Inc. is an Atlanta-based energy
13 services company, serves approximately 2.3 million natural gas distribution customers in
14 six states, and its business segments also consist of natural retail energy operations,
15 wholesale services and energy investments, which invests in related companies ranging
16 from pipeline operators to salt cavern storage facilities to retail services.

17 Q. Briefly, describe your duties and responsibilities as Chief Executive Officer of Renewco-
18 Meadow Branch, LLC.

19 A. As CEO of Renewco-Meadow Branch, LLC, I am responsible for all aspects of Business
20 Development, project identification and selection, contract negotiation, developing

business models, project design, construction and operation, and developing gas sales agreements.

Q. Did you assist in the preparation and are you familiar with the contents of the Application and Exhibits which have been filed in this proceeding?

A. I assisted in the preparation and I am familiar with the contents of the Application and its exhibits. I was responsible for assembling the team that prepared the content that comprises the Application and its exhibits.

Q. Explain the pipeline distribution system referenced in the Application by describing its location, design, construction, and purpose.

A. It is the intent of Renewco-MB, upon approval of this Application by the TRA, to construct and operate a single purpose, point-to-point pipeline to transport processed renewable landfill methane gas from the Meadow Branch landfill located at 233 County Road 166, Athens, McMinn County, Tennessee 37303 to an inter-connect on the East Tennessee Natural Gas (ETNG) transmission line at a point about 1 mile north of the City of Athens Utility Board's Riceboro gate station, the total pipeline length of approximately 9.5 miles. The inter-connect will consist of flow control, metering, and gas quality measurement equipment at the ETNG transmission line. The proposed pipeline will be entirely within McMinn County, mostly in a USDOT Class 1 rural location, with only approximately one mile within the City of Athens corporate limits. A map of the proposed pipeline route was included with the original filing. The proposed pipeline will be constructed using 4-inch steel or fiber-reinforced composite pipe designed to operate pursuant to Department of Transportation Part 192 Pipeline Safety Regulations. In

43 addition to the mandatory mainline valves, there will be automated flow control devices
44 at both the plant and the inter-connect. The maximum operating pressure will be 700
45 psig. The LFG processing plant will process the raw landfill gas to meet pipeline quality
46 specifications and pressurize the gas for transport via the pipeline previously described
47 for injection into the East Tennessee pipeline.

48 Q. Describe the Applicant's financial capability to meet the costs of construction, operation
49 and maintenance of the pipeline distribution system.

50 A. AGL Resources Inc., the parent of Renewco, is a publicly-traded (NYSE: AGL) strong
51 investment grade entity with a market capitalization of approximately \$2.9 billion.
52 AGL's enterprise value is approximately \$5.4 billion. Moreover, AGL operates a diverse
53 set of businesses including Distribution, Retail, Wholesale and Energy Investments.
54 AGL's plan is to maintain its strong investment grade balance sheet while delivering
55 value to each of its stakeholders.

56 Q. Describe the technical and managerial expertise of the team constructing this landfill gas
57 project.

58 A. Before assuming my current role in Renewco, I had previously held a position as Vice
59 President - Engineering Services and Supply Chain at AGL Resources where I had
60 corporate responsibility for Engineering Design, Procurement, Construction, Distribution
61 System Integrity, as well as Environmental, Safety, OQ , Training, and Crisis
62 Management for all of AGL Resources, including its six (6) local gas distribution
63 companies (LDCs) and associated distribution and transmission systems, as well as
64 several other non-LDC operating companies. I hold a Bachelors degree in Chemical

65 Engineering, and have over 25 years of progressively increasing managerial experience,
66 including technical and financial management.

67 Several executives of Renewco have constructed five high-BTU Landfill gas plants and
68 associated pipelines that are very similar to that proposed at Meadow Branch. Two of
69 these plants were designed and built for other owners, and three we designed, built,
70 owned, and operated by the Keystone (now Renewco) personnel that are directly
71 involved in this project. Renewco (Keystone) successfully operated these plants for
72 several years prior to selling them to a third party in November, 2008.

73 Q. Describe the technical and managerial expertise available to the Applicant in designing,
74 constructing, and operating the pipeline and providing appropriate pipeline services.

75 A. The pipeline was designed by the Office of Corporate Engineering of the AGL Services
76 Company, a division of AGL Resources, which is led by Allen Spivey who has
77 approximately 30 years pipeline engineering experience. AGL Resources serves about
78 2.3 million gas customers in Maryland, New Jersey, Virginia, Tennessee, Georgia, and
79 Florida, and builds, operates, and maintains a diverse set of gas-related facilities,
80 including gas storage facilities in Texas and Louisiana, as well as compressed natural gas
81 (CNG), liquefied natural gas (LNG), propane-air, and gas compressor stations in several
82 states. The pipeline will be designed, constructed, operated and maintained in
83 accordance with DOT Part 192 Pipeline Safety Regulations and applicable state codes
84 and regulations by experienced and qualified contractors following a competitive bid
85 among companies familiar to AGL Resources for their experience and expertise in

86 pipeline construction. The project will be overseen by experienced construction project
87 coordinators from AGL Services Company.

88 Upon completion of the pipeline, the pipeline will be operated and maintained by
89 Renewco, who will contract with a company providing experienced and qualified
90 operations personnel to either perform the work, or train and qualify dedicated Renewco
91 staff to perform all required pipeline services. The work will be awarded by competitive
92 bid, and prospective bidders will include nearby local distribution companies. Pipeline
93 operations and maintenance will be consistent with the applicable local, state, and federal
94 rules and regulations and the applicable standards applied at the six LDCs owned by
95 AGL Resources.

96 Q. Is the Applicant prepared and capable of complying with all laws, rules, regulations, and
97 orders of this Authority applicable to the construction and operation of the pipeline
98 distribution system?

99 A. Yes.

100 Q. On behalf of the Applicant, are you asking the Authority to issue a Certificate of Public
101 Convenience and Necessity as requested in the Application?

102 A. Yes, we are respectfully requesting the Authority to issue a Certificate of Public
103 Convenience and Necessity as requested in our application.

104 Q. Does this conclude your direct testimony?

105 A. Yes.