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WEST TENNESSEE GAS PIPELINE, LLC

DOCKET NO. 22-00138

DIRECT TESTIMONY

OF

ANDREW THERRELL

ON

**EXPEDITED PETITION OF WEST TENNESSEE GAS PIPELINE, LLC FOR THE
ISSUANCE OF A CERTIFICATE OF PUBLIC CONVENIENCE AND NECESSITY**

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. My name is Andrew Therrell and my business address is 4200 E. Skelly Drive, Suite 1025,
3 Tulsa, OK 74135.

4 **Q. CAN YOU EXPLAIN YOUR ROLE OR INVOLVEMENT WITH WEST**
5 **TENNESSEE GAS PIPELINE?**

6 A. I am the Chief Financial Officer of West Tennessee Gas Pipeline, LLC (“West Tennessee
7 Gas” or “WTGP”). Additionally, I have an indirect equity ownership interest in WTGP
8 through my ownership interest in WTGP member JT Energy, LLC.

9 **Q. HAVE YOU PREVIOUSLY FILED TESTIMONY BEFORE THIS OR ANY**
10 **OTHER UTILITY COMMISSION?**

11 A. No.

12 **Q. PLEASE STATE YOUR EDUCATIONAL AND PROFESSIONAL**
13 **BACKGROUND.**

14 A. I am a graduate of Baylor University with both a Bachelor’s Degree in Accounting and a
15 Master’s Degree in Taxation. In 2011, I started my career in public accounting with Grant
16 Thornton where I worked for two and a half years. After Grant Thornton, I worked for
17 three and a half years at two middle market accounting firms, Whitley Penn in Dallas, TX,
18 and Hogan Taylor LLP in Tulsa, OK. In 2018, I left public accounting and moved into the
19 oil and gas industry, where I served as Controller for Sanguine Gas Exploration, LLC
20 (“Sanguine”) for almost three years. Sanguine is a privately held exploration company that
21 owns and operates wells in Oklahoma and Texas. In October of 2020, I had the opportunity
22 to become the Chief Financial Officer of Southwest Energy, LP, which is a position I still
23 currently hold. I also serve as the VP of Finance for Otter Creek Midstream, LLC, which

owns and operates approximately 285 miles of oil and gas pipelines with three (3) compressor stations. I am a Certified Public Accountant with active licenses in both Oklahoma and Texas.

Q. WHAT ARE YOUR DUTIES AS CHEF FINANCIAL OFFICER OF WTGP?

A. My duties include overseeing all financial aspects of WTGP, including proper financial reporting and compliance with both local, state, and federal taxing authorities. Included in financial reporting will be ensuring that any affiliate companies that are involved in the construction and operation of the pipeline are paid via an arms-length price.

Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?

A. The purpose of my testimony is to support the Expedited Petition submitted by West Tennessee Gas to the Tennessee Public Utility Commission (“TPUC” or “Commission”) seeking the granting of a Certificate of Convenience and Necessity (“CCN”), with its accompanying privilege and franchise, to WTGP to construct, own and operate a gas pipeline in West Tennessee serving Ford Motor Company’s BlueOval City Project, including Brownsville Energy Authority (“BEA”). A map of the proposed gas pipeline is attached to the Petition as **EXHIBIT D**.

Q. ARE YOU SPONSORING ANY EXHIBITS?

A. Yes. I am sponsoring the following exhibits attached to the Petition: Petition **COLLECTIVE EXHIBIT C** and Petition **CONFIDENTIAL AND PROPRIETARY EXHIBIT H**, submitted **UNDER SEAL**. I may also discuss other Petition exhibits sponsored by WTGP Witnesses Robert Mitchell and Mark Johnson.

Q. WERE THE EXHIBITS THAT YOU ARE SPONSORING PREPARED BY YOU OR UNDER YOUR SUPERVISION?

1 A. Yes.

2 **Q. WHAT WERE THE SOURCES OF DATA USED TO PREPARE THE**
3 **PETITIONER'S EXHIBITS THAT YOU ARE SPONSORING?**

4 A. The data used to prepare the exhibits was acquired from the records of WTGP and its
5 members, as well as public records, that I examined in the course of my work related to
6 this testimony and the Petition.

7 **Q. DO YOU CONSIDER THE DATA TO BE RELIABLE AND OF A TYPE THAT IS**
8 **NORMALLY USED AND RELIED ON IN YOUR BUSINESS FOR SUCH**
9 **PURPOSES?**

10 A. Yes.

11 **Q. ARE YOU FAMILIAR WITH WTGP'S PRO FORMAS ATTACHED TO THE**
12 **PETITION AS CONFIDENTIAL AND PROPRIETARY EXHIBIT H?**

13 A. Yes.

14 **Q. PLEASE EXPLAIN THE METHODOLOGY USED TO PREPARE THE PRO**
15 **FORMAS, ALONG WITH ANY ASSUMPTIONS EMPLOYED?**

16 A. The pro formas were compiled in conjunction with Robert Mitchell and Mark Johnson.
17 Together, we used existing expertise gained over decades in the energy industry to evaluate
18 costs and vendor bids to ensure WTGP was getting the best possible pricing available to
19 construct the pipeline. Any services provided by any affiliate companies have been
20 allocated on an arms-length basis.

1 **Q. CAN YOU GENERALLY EXPLAIN OR OUTLINE THE SUBSTANCE OF THE**
2 **PRO FORMAS, THAT IS WHAT THE PRO FORMAS ARE INTENDED TO**
3 **SHOW OR DEMONSTRATE?**

4 A. Certainly. The pro formas are intended to illustrate the overall economics of the pipeline
5 on a stand-alone basis. Included in the pro formas are the anticipated capital costs of the
6 project (and associated annual depreciation), anticipated annual income from the tariff and
7 anticipated annual operating costs of the pipeline.

8 **Q. DOES CONFIDENTIAL EXHIBIT H TO THE PETITION ACCOUNT FOR ANY**
9 **CAPITAL INVESTMENTS BY THE MEMBERS OF WEST TENNESSEE GAS?**
10 **PLEASE EXPLAIN.**

11 A. Yes. The capital investments are reflected on the balance sheet. These capital investments
12 are also reflected in Petition **EXHIBIT A**. All members are aware of cost estimates and
13 are committed to funding WTGP without the use of debt financing. All members are known
14 to Robert, Mark, and me, and possess the wherewithal to fund the project without the use
15 of debt financing.

16 **Q. CAN YOU ELABORATE ON THE FINANCIAL COMMITMENT OF THE**
17 **MEMBERS OF WEST TENNESSEE GAS TO THE LONG-TERM SUCCESS AND**
18 **SUSTAINABILITY OF THE PROPOSED GAS PIPELINE?**

19 A. As demonstrated in the Pre-filed Direct Testimony of WTGP Witnesses Robert Mitchell
20 and Mark Johnson, the members of WTGP are all sophisticated and competent investors
21 with investments in various industries. All members are heavily involved in the energy
22 industry with decades of experience in various segments of the energy industry. The
23 members are committed both financially and professionally to ensuring that WTGP is not

1 only built timely and to the specifications required but are also committed to operating the
2 pipeline with a high standard of care that the members employ in their other businesses.

3 **Q. DOES THE GATE STATION AGREEMENT BETWEEN FORD MOTOR**
4 **COMPANY AND WTGP EVIDENCE ADDITIONAL FINANCIAL CAPITAL TO**
5 **CONSTRUCT AND OPERATE THE PROPOSED GAS PIPELINE?**

6 A. Yes, it does. Nonetheless, the additional financial support via the Gate Station Agreement
7 is not included in the pro formas. The pro formas are meant to illustrate the pipeline
8 economics on a stand-alone basis.

9 **Q. DOES WTGP HAVE THE FINANCIAL CAPACITY AND EXPERTISE TO**
10 **CONSTRUCT, OWN, OPERATE AND MANAGE THE PROPOSED GAS**
11 **PIPELINE? IF SO, PLEASE EXPLAIN.**

12 A. Yes. As demonstrated by the Petition and supporting documentation, including the pre-
13 filed direct testimony, the financial projections, the Gate Station Agreement, WTGP has
14 the necessary financial capacity and ability. Further, and as for the expertise, which is also
15 evidenced by the Petition and supporting documentation, including the pre-filed direct
16 testimony, all members of WTGP are in the energy industry and possess knowledge in
17 various segments of the energy industry. Robert Mitchell, through his role at Carrera, has
18 overseen the design, construction, and operation of various pipelines and processing
19 facilities. Mark Johnson, along with other members of WTGP, possess the expertise
20 relating to the movement of gas throughout the United States and are proficient in
21 supplying gas to various end users including industrial users and utility companies. Robert,
22 Mark and myself have worked on previous projects together and have developed a

1 relationship that has been proven as complimentary to each other's skill set and successful
2 in its endeavors.

3 **Q. WILL WTGP MAINTAIN ITS BOOKS OF ACCOUNT AND SUPPORTING**
4 **DOCUMENTATION IN A MANNER CONSISTENT AND FULLY COMPLIANT**
5 **WITH THE NATIONAL ASSOCIATION OF REGULATORY UTILITY**
6 **COMMISSIONERS ("NARUC") UNIFORM SYSTEM OF ACCOUNTS FOR GAS**
7 **PIPELINES?**

8 A. Yes. Further, WTGP will comply with all applicable state and federal laws, regulations,
9 rules, and orders, including those of the Commission.

10 **Q. IS THE PROPOSED GAS PIPELINE IN THE PUBLIC'S INTEREST?**

11 A. Yes. For the same reasons set forth in the Pre-filed Direct Testimony of WTGP Witness
12 Robert Mitchell, I believe the proposed gas pipeline serves the public interest.

13 **Q. WHAT DO YOU RECOMMEND WITH REGARD TO THIS PETITION?**

14 A. I recommend that the Petition be approved on an expedited basis.

15 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

16 A. Yes.

STATE OF Oklahoma)
)
COUNTY OF Tulsa)

BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Andrew Therrell, being by me first duly sworn deposed and said that:

He is appearing as a witness on behalf of West Tennessee Gas Pipeline, LLC before the Tennessee Public Utility Commission, and if present before the Commission and duly sworn, his testimony would be as set forth in his pre-filed testimony in this matter.



Andrew Therrell

Sworn to and subscribed before me
this 19 day of December, 2022.



Notary Public

My Commission Expires: 7/25/2023

