

WEST TENNESSEE GAS PIPELINE, LLC

DOCKET NO. 22-00138

DIRECT TESTIMONY

OF

ROBERT MITCHELL

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 Robert Mitchell, and my business address is 6100 South Yale, Suite 2050,
3 Tulsa, OK 74136.

4 **Q. CAN YOU EXPLAIN YOUR ROLE AND INVOLVEMENT WITH WTGP?**

5 A. I serve as the Chief Operating Officer for West Tennessee Gas Pipeline, LLC (“West
6 Tennessee Gas” or “WTGP”).

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

9 A. No.

10 **Q. PLEASE STATE YOUR EDUCATIONAL AND PROFESSIONAL**
11 **BACKGROUND.**

12 A. In addition to my role with WTGP, I am also the Vice President and a Member of Carrera
13 Gas Companies, LLC (“Carrera”), which I joined in 1996. I earned an undergraduate
14 degree in Chemical Engineering from the University of Texas in 1981. Upon graduation, I
15 joined Perry Gas Company and was employed by them from 1981 through 1986 in various
16 positions, including in operations, design, gas supply and business development. In 1986,
17 I joined Rockland Pipeline Company and held management positions in operations and
18 business development. In 1993 I accepted the position of Manager of Operations with
19 Cimarron Gas Companies LLC (“Cimarron Gas”) and was employed by Cimarron Gas
20 until 1996 after which I joined Carrera. Presently, I serve as Vice Chairman of GPA
21 Midstream Association, which is the midstream industry’s trade organization, and I also
22 serve on its Board of Directors and Executive Committee.

23 **Q. WHAT ARE YOUR DUTIES AS CHIEF OPERATING OFFICER OF WTGP?**

1 A. I am responsible for supervising the day-to-day operations of WTGP. Items included in my
2 responsibilities are supervision of employees, regulatory compliance, safety, and
3 engineering.

4 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

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

12 **Q. ARE YOU SPONSORING ANY EXHIBITS?**

13 A. Yes. I am sponsoring the following exhibits attached to the Petition: **EXHIBITS D, E, F,**
14 **I and L**, as well as **COLLECTIVE EXHIBIT G**. I am also sponsoring *Pre-filed Robert*
15 *Mitchell Direct Testimony Exhibits 1 and 2*. I may also discuss other Petition exhibits
16 sponsored by WTPG Witnesses Mark Johnson and Andrew Therrell.

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

19 A. Yes.

20 **Q. WHAT WERE THE SOURCES OF DATA USED TO PREPARE THE**
21 **PETITIONER’S EXHIBITS THAT YOU ARE SPONSORING?**

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

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

7 A. Yes.

8 **Q. AS BEST THAT YOU CAN RECALL, HOW DID THE DISCUSSIONS**
9 **REGARDING THE POTENTIAL DEVELOPMENT OF THE PROPOSED GAS**
10 **PIPELINE TO SERVE FORD’S BLUEOVAL CITY PROJECT START?**

11 A. Ford Motor Company (“Ford”) has a long-standing relationship with Southwest Energy,
12 L.P. (“Southwest Energy”) to supply gas for its facilities. It is my understanding that Ford
13 evaluated various options for acquiring and obtaining the necessary natural gas services
14 requirements for the BlueOval City Project. After considering the construction costs to
15 build the connecting pipeline, along with the associated transportation costs and supply
16 sources, Ford determined that a connection with Trunkline Gas Company, LLC
17 (“Trunkline Gas”) would be a more economic source of gas supply due to its lower
18 transportation costs and more competitive supply basin. Ford asked Southwest Energy if it
19 could provide the interconnecting pipeline to connect the BlueOval City Facility with
20 Trunkline Gas, and Southwest Energy responded that it could build the necessary facilities.
21 Carrera has a longstanding relationship with Southwest Energy and operates facilities for
22 an affiliate of Southwest Energy. Carrera, through an affiliate, was asked to join this project

1 to provide capital, design, construction, and operating expertise. WTGP was thereafter
2 formed in relation to the proposed pipeline.

3 **Q. WHAT WAS THE NATURE OF THE NEGOTIATIONS BETWEEN**
4 **SOUTHWEST ENERGY AND FORD?**

5 A. The negotiations were at arms-length between two independent and sophisticated entities.
6 Given the complexity and timeframe associated with this project, coupled with the overall
7 energy needs to service the project, the negotiations were both involved and quite lengthy.

8 **Q. WHAT WAS THE NATURE OF THE NEGOTIATIONS BETWEEN**
9 **SOUTHWEST ENERGY AND BEA?**

10 A. The negotiations were at arms-length between two independent and sophisticated entities.

11 **Q. CAN YOU BRIEFLY DESCRIBE THE CURRENT ANTICIPATED OVERALL**
12 **ENERGY NEEDS ASSOCIATED WITH THE BLUEOVAL CITY PROJECT?**

13 A. Initially, the BlueOval City Project is projected to consume as much as 25 MMCFD of
14 natural gas with a possible expansion to 50 MMCFD. Gas will be utilized for generating
15 electricity, industrial load, and heating.

16 **Q. CAN YOU ALSO DESCRIBE OR SUMMARIZE THE COSTS ASSOCIATED**
17 **WITH THE CONSTRUCTION AND OPERATION OF THE PROPOSED GAS**
18 **PIPELINE?**

19 A. The current estimated construction project cost is approximately \$14,400,000. Operating
20 costs are estimated to be approximately \$900,000/year and include but are not limited to
21 two full time field employees, utilities, chemicals, regulatory compliance, insurance, and
22 ad valorem taxes. An estimate of the construction project costs is attached hereto as *Pre-*
23 *filed Robert Mitchell Direct Testimony Exhibit 1.*

1 **Q. HOW WERE THESE CONSTRUCTION PROJECTS COSTS ARRIVED AT OR**
2 **DEVELOPED?**

3 A. The construction project costs were developed beginning with preliminary design and
4 project scope to identify major items. Upon completion of the scope, numerous vendors
5 were contacted to supply budgetary estimates for each item in the scope. Estimates were
6 evaluated and an overall cost estimate was prepared.

7 **Q. HOW WAS THE PROPOSED ROUTE SELECTED OR DEVELOPED?**

8 A. The route was selected beginning with the connection point to Trunkline Gas. This point
9 was determined by Trunkline Gas and is the sole economic option. From there the route
10 was selected based on the following criteria not necessarily listed in order of importance:
11 (1) Minimizing environmental impact, (2) Addressing cultural concerns, (3) Proximity to
12 existing dwellings and landowner concerns, and (4) Ease of construction.

13 **Q. DOES WTGP HAVE ANY EXPERIENCE IN CONSTRUCTING, OWNING**
14 **OPERATING AND MANAGING GAS PIPELINES?**

15 A. Yes. As outlined in the Petition, specifically at pages 7-10, the officers and key personnel
16 of WTGP have been involved in the gas industry for decades, including the construction,
17 owning, operating and managing of several gas processing plants and pipelines. Further,
18 as demonstrated in the Pre-Filed Direct Testimony of WTGP Witness Mark Johnson, the
19 members of WTGP have substantial, and decades, of experiences in the energy industry.

20 **Q. WHAT IS THE RATE STRUCTURE THAT IS PROPOSED BY WTGP?**

21 A. WTGP has negotiated gas transport services agreements with both Ford and BEA. The
22 voluntary, arms-length agreements include the rates charged by WTGP to these two (2)
23 sophisticated entities. The negotiated rates are set forth in the respective service

1 agreements, which will be submitted to the Commission **UNDER SEAL** as
2 **CONFIDENTIAL AND PROPRIETARY** subsequent to the entry of a protective order
3 by the Commission. As set forth in the Petition, WTGP will not exceed the rates established
4 within the service agreements until such time as later and different negotiated rates may be
5 submitted to the Commission. A copy of WTGP's draft proposed tariff is attached to the
6 Petition as **EXHIBIT I**.

7 **Q. DOES WTGP UNDERSTAND THAT THERE WILL BE NO DETERMINATION**
8 **IN THIS DOCKET ON THE BASIS BY WHICH WTGP RATES WILL BE**
9 **DETERMINED IN FUTURE TPUC DOCKETS?**

10 A. Yes.

11 **Q. AS OUTLINED IN THE PETITION AND IN YOUR PRE-FILED DIRECT**
12 **TESTIMONY, DOES WTGP INTEND ON SERVING CUSTOMERS OTHER**
13 **THAN FORD AND BEA?**

14 A. No. But should any additional sophisticated industrial, commercial or public entity
15 customers desire gas transport service from WTGP subsequent to the approval of the
16 Petition, and should WTGP have the capability and ability to service such potential
17 customers, WTGP will enter into similar negotiated written agreements for gas transport
18 services to be provided to such other sophisticated customers on terms substantially similar
19 to those as provided to Ford and BEA and submit any such agreements to the Commission.

20 **Q. IS THE PROPOSED SERVICE AREA ALREADY SERVED BY ANOTHER**
21 **PROVIDER?**

22 A. The provider that generally provides gas pipeline services in or near the proposed service
23 area is BEA. *See* Petition **EXHIBIT F**. As shown in Petition **EXHIBIT E**, BEA has

expressed that it does not provide gas pipeline services to the proposed service area and does not have the ability or capacity to serve the Ford and SK Innovation plant facilities.

Q. PLEASE PROVIDE A BRIEF DESCRIPTION OR SUMMARY OF THE OPERATIONS OF THE PROPOSED GAS PIPELINE PROJECT?

A. The proposed service area is the BlueOval City Project in Stanton, Haywood County, Tennessee, about 40 miles northeast of Memphis, Tennessee. West Tennessee Gas will provide gas transport services to the BlueOval City Project and to BEA. The service provided to the BlueOval City Project, formally known as BlueOval SK, LLC, will include service to the Central Utility Plant, Ford Motor Company and BluOvalSK. BluOvalSK (“BOSK”) is the sister site to BlueOval City.

Trunkline Gas, a subsidiary of Energy Transfer Partners, owns and operates a natural gas pipeline system that transports gas for delivery from the Gulf coast of Texas and Louisiana through several states, including Mississippi, Arkansas, Tennessee and Kentucky. Trunkline Gas will transport and deliver gas to WTGP. The Interconnect or Receipt Point between Trunkline Gas and WTGP will be located within the State of Tennessee, approximately 0.7 miles SW of Mason, Tennessee. WTGP will transport the gas approximately seven (7) miles to the Ford BlueOval City Facility, where the gas will be filtered, conditioned, and separated into two (2) streams. One stream will have its pressure reduced to 450 psig for delivery to the Central Utility Plant (“CUP”) operated by DTE Energy, and the other stream will be reduced to 80 psig for delivery to Ford and BOSK for use within the proposed service area. Additionally, a tap and meter will be set outside of the BlueOval City Facility for BEA, as BEA will distribute gas to Ford’s

1 suppliers located within BEA's geographic service area, all of which is within the State of
2 Tennessee.

3 **Q. SO, THE PROPOSED GAS PIPELINE WILL BE LOCATED AND OPERATED**
4 **SOLEY WITHIN THE STATE OF TENNESSEE?**

5 A. Yes. As evidenced by Petition **EXHIBIT D**, the proposed gas pipeline will be located
6 totally within the State of Tennessee. As further outlined in the Petition, Trunkline Gas will
7 transport and deliver gas to WTGP, and the Interconnect or Receipt Point between
8 Trunkline Gas and WTGP will be located within the State of Tennessee, approximately 0.7
9 miles SW of Mason, Tennessee. Therefore, the Hinshaw Amendment applies.

10 **Q. WILL ALL OF THE GAS TRANSPORTED BY WTGP BE USED AND**
11 **CONSUMED WITHIN THE STATE OF TENNESSEE?**

12 A. Yes. The gas delivered to WTGP by Trunkline Gas will be fully consumed within the State
13 of Tennessee by Ford, BEA and/or BEA's customers. *See* Petition **EXHIBIT E**. In fact,
14 the service agreements contain a provision confirming that all the gas delivered to Ford,
15 BEA and/or BEA's customers will be consumed within the State of Tennessee. Thus, upon
16 the issuance of a CCN by the Commission, the requirements of the Hinshaw Amendment
17 are satisfied.

18 **Q. DOES WTGP POSSESS THE TECHNICAL AND MANAGERIAL EXPERTISE**
19 **TO CONSTRUCT, OWN, OPERATE AND MANAGE THE PROPOSED GAS**
20 **PIPELINE?**

21 A. Yes. As set forth in the Petition, and as outlined and demonstrated in Petition **EXHIBITS**
22 **A and B** and **COLLECTIVE EXHIBIT G**, along with the Pre-filed Direct Testimony of
23 WTGP Witness Mark Johnson, WTGP possesses the technical and managerial expertise to

1 construct, own, operate and manage the proposed gas pipeline. Moreover, WTGP has the
2 management and experienced professional personnel to operate safely and successfully.

3 Additionally, I have served either as an engineer or as part of the engineering team
4 for several entities, including Carrera, Cimarron Gas, Rockland Pipeline Company, and
5 Perry Gas Company. Further, I have served either as the chief engineer or as part of the
6 engineering team for several projects, including Cumberland Pipeline, Elmore City NGL
7 Pipeline, Roger Mills Gas Gathering Pipeline, and numerous small well connections. Our
8 technical and managerial team will include others not listed in Petition **EXHIBITS A, B**
9 **or COLLECTIVE EXHIBIT G**, such as the following:

10 (1) Galen Smith - Operations.

11 (2) Mark Neil – Consulting Engineer.

12
13 The biographical and professional backgrounds of each of the above-listed professional
14 personnel are attached to my testimony as *Pre-Filed Robert Mitchell Direct Testimony*
15 *Exhibit 2*. For the foregoing reasons, and as set forth in Petition and the Pre-filed Direct
16 Testimony of WTGP Witness Mark Johnson, WTGP has the technical and managerial
17 capacity to construct, own, operate and manage the proposed gas pipeline.

18 **Q. THE PETITION LISTS CERTAIN PROJECTS IN WHICH BOTH OR EITHER**
19 **SOUTHWEST ENERGY AND CARRERA ARE OR WERE INVOLVED. ARE**
20 **YOU FAMILIAR WITH THOSE PROJECTS AND IS THAT LIST ACCURATE?**

21 A. Yes. I am familiar with those projects, and the list is accurate.

22 **Q. DOES WTGP POSSESS THE FINANCIAL ABILITY AND EXPERTISE TO**
23 **OPERATE AND MANAGE THE PROPOSED GAS PIPELINE?**

1 A. Yes. West Tennessee Gas possesses the requisite financial capability to effectively provide
2 gas services via the proposed gas pipeline. In addition to the many years of financial and
3 operations experience of WTGP key personnel, as set forth in Petition **EXHIBITS A and**
4 **B and COLLECTIVE EXHIBIT G**, West Tennessee Gas's pro formas for the next five
5 (5) years are attached to the Petition as **Confidential EXHIBIT H**, submitted **UNDER**
6 **SEAL** as **CONFIDENTIAL AND PROPRIETARY**. To support the construction and
7 related build-out costs associated with the proposed gas pipeline, Ford and WTGP have
8 entered into the Gate Station Agreement, which memorializes, among other things, the
9 financial commitment and investment necessary to construct and operate the proposed gas
10 pipeline. The Gate Station Agreement will be submitted pending the issuance of a
11 protective order by the Commission. For the foregoing reasons, and as set forth in Petition
12 and in the Pre-filed Direct Testimony of WTGP Witnesses Andrew Therrell and Mark
13 Johnson, WTGP has the financial ability and expertise to construct, own, operate and
14 manage the proposed gas pipeline.

15 **Q. HOW WILL WTGP ACCOUNT FOR THE OPERATION OF THE PROPOSED**
16 **GAS PIPELINE?**

17 A. WTGP will operate the gas pipeline separately and independently from the operation of
18 any other gas pipelines, facilities, assets or services owned or operated by any of its
19 members. As such, it will record separately and independently: (1) track actual supplies,
20 equipment and outside services used exclusively for the proposed gas pipeline; (2) properly
21 allocate the costs for any supplies, equipment or outside services purchases that have some
22 benefit for the proposed gas pipeline (i.e. made on the basis of the pro rata share that should
23 be assigned to the operation of the proposed gas pipeline); (3) assign fully allocated

(Salaries + Benefits) internal personnel costs for the operation and management of the proposed gas pipeline (i.e. with the appropriate pro rata share of those costs based on the share of their time spent associated with the operation of the proposed gas pipeline); and (4) assign maintenance personnel costs at fully allocated hourly rates for time spent on work orders associated with the proposed gas pipeline; (5) allocate fully loaded costs, of some salaried personnel, associated with time spent working in direct support of the proposed gas pipeline; and (6) allocate capital expenditures (“CAPEX”) depreciation associated with the value of the assets of the proposed gas pipeline. In light of TPUC Rule 1220-04-13-.17 (2) (e) (3), WTGP will maintain its books of account and supporting documentation in a manner consistent and compliant with the NARUC Uniform System of Accounts (USoA) for gas pipelines, which will provide the Commission with the necessary information to review, analyze and audit WTGP’s operation of the proposed gas pipeline in accordance with NARUC and Commission accounting standards.

Q. ARE THERE ANY EFFORTS CURRENTLY UNDERWAY BY WTGP WITH RESPECT TO THE PROPOSED GAS PIPELINE? IF SO, PLEASE SUMMARIZE.

A. Yes. Some preliminary or threshold efforts are either underway or in the planning stages. Complete engineering plans and associated pipeline schematics will be submitted to the Commission upon completion of the final design. Consistent with TPUC Rule 1220-04-05-.21(1), West Tennessee Gas will ensure that its pipeline is constructed, installed, maintained and operated in accordance with accepted good engineering practice in the gas industry to assure, as far as reasonably possible, continuity of service, uniformity in the quality of service furnished, and the safety of persons and property. To the extent determined by WTGP to be necessary and appropriate, the following items are, or shortly

1 will be, underway in relation to the proposed route: Wetlands Survey/Delineation, Clean
2 Water Act 404/401 Application, verification of Section 404 of Nationwide Permit 12
3 compliance for natural gas pipeline activities, Aquatic Resource Alteration Permit
4 Applications to the Tennessee Department of Environment and Conservation (“TDEC”) ,
5 consultations with TDEC and the Tennessee Wildlife Resource Agency regarding
6 endangered species, Hydrostatic Test Water Discharge to TDEC, and Phase 1
7 Archeological Report and consulting documentation for the State Historic Preservation
8 Officer and the US Army Corps of Engineers.

9 West Tennessee Gas will adhere to all applicable state and federal law
10 requirements, Commission policies, rules and orders, including the requirements of the
11 Pipeline and Hazardous Materials Safety Administration (“PHMSA”), Department of
12 Transportation (“DOT”), Pipeline Safety, CFR 49 Part 192, and the requirements of the
13 Occupational Health and Safety Administration. WTGP is familiar with the requirements
14 of Tennessee 811 (Call Before Digging). Further, WTGP will comply with TPUC Rules
15 1220-04-05-.39, 1220-04-05-.47 and 1220-04005-.48, as well as other applicable TPUC
16 rules and regulations, including those of the Gas Pipeline Safety Division.

17 **Q. IS WTGP’S PROPOSED GAS PIPELINE IN THE PUBLIC’S INTEREST?**

18 A. Yes. As noted in the Petition, Ford is investing approximately \$5.6 billion to build
19 BlueOval City, which is the largest economic development project in Tennessee’s history.
20 Ford will produce electric trucks, while SK Innovation, a South Korean company, will
21 produce electric batteries for the trucks. The BlueOval City Project is expected to create
22 about 5,800 jobs with the production schedules to start in 2025. Although the full impact
23 of the BlueOval City Project will not be completely known for several years, it is expected

1 that tens of thousands of jobs will come on-line directly or indirectly as a result of this
2 project.

3 Previously vacant for fifteen (15) years or so, the Memphis Regional Megasite is
4 now the core of a transformational development project in the State of Tennessee. At the
5 request of Governor Lee's administration, the Tennessee General Assembly passed a
6 nearly \$900 million incentive and infrastructure package in support of the BlueOval City
7 Project. Recognizing the importance of this generational project, the General Assembly
8 also created The Megasite Authority of West Tennessee to develop, operate, manage,
9 incentivize, and promote the Megasite. As outlined in the Petition, and the supporting
10 documentation, this Petition serves the public interest.

11 **Q. HAS FORD COMMENCED CONSTRUCTION ON THE BLUEOVAL CITY**
12 **PROJECT?**

13 A. Yes. Ford officially broke ground on BlueOval City in late September 2022.

14 **Q. ARE YOU AWARE OF ANY OPPOSITION OR OBJECTIONS TO EITHER THE**
15 **PROPOSED CONSTRUCTION OF THE GAS PIPELINE OR WTGP'S REQUEST**
16 **FOR A CERTIFICATE OF CONVENIENCE AND NECESSITY FROM THE**
17 **COMMISSION?**

18 A. No, I am not.

19 **Q. WHAT, IF ANY, COMMUNICATIONS HAS WTGP HAD WITH ANY**
20 **LANDOWNERS IMPACTED BY THE PROPOSED PIPELINE ROUTE?**

21 A. WTGP is in contact with each landowner along the proposed pipeline route and has made
22 several route changes to accommodate property owner concerns or needs. The map, which
23 is Petition **EXHIBIT D**, incorporates any route changes made to date.

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

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

3 **Q. WILL WTGP ABIDE BY ALL APPLICABLE STATE AND FEDERAL LAWS,**
4 **RULES, REGULATIONS AND ORDERS, INCLUDING THOSE OF THE**
5 **COMMISSION AND THE TENNESSEE DEPARTMENT OF ENVIRONMENT**
6 **AND CONSERVATION?**

7 A. Yes, including the submission of any required annual report to the Commission.

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

9 A. Yes.

Pre-Filed Robert Mitchell Testimony Exhibit 1

Galen Smith

Manager of Operations

Smith has over 33 years of operational and project management experience in both production and midstream sectors. He is knowledgeable in the construction and operation of processing, treating, compression and pipeline facilities and has been with Carrera Gas Companies since 2006. He previously held operational and supervisory positions with Mesa Petroleum and Pioneer Natural Resources.

Mark J. Neal

Mark J. Neal is the principal engineer in responsible charge of MJN Consulting, LLC and has run his own engineering consulting company for 14 years, providing engineering, drafting, and project management services to various clients. He is a registered professional engineer in multiple states with over 30 years of engineering, construction, and fabrication experience in the natural gas industry. Mr. Neal has worked at multiple companies prior to consulting, starting at Dowell Schlumberger, then Dresser-Rand, then Universal Compression, and last Midstream Energy, each in progressive steps, starting as a Project Engineer and finishing as Director of Engineering & Operations. In his career, he has managed construction projects from as small as \$50,000 to as large as \$150,000,000. This work has included the installation of over half million horsepower of compression and over 1.5 billion cubic feet per day of gas processing capacity.

Pre-Filed Robert Mitchell Testimony Exhibit 2

BLUE OVAL TRUNKLINE 12"

WEST TENNESSEE GAS PIPELINE
ESTIMATED COSTS

NATURE OF EXPENDITURE	QUANTITY	UNIT PRICE	COST
Right of Way - Rods	2061	600	\$1,236,364
Right of Way Agent - Days	60	600	\$36,000
Surveying & Drafting - Feet	34000	1.00	\$34,000
Pipe - Feet			
1. 12" X 0.250" API5L X60	34000	56.13	\$1,908,542
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
Coating - Feet		INCLUDED	
Field Joint Material	850	150	\$127,500
Freight - Loads		INCLUDED	
TOTAL PIPE COST	34000	59.88	\$2,036,042
Valves			
1. Block Valves	13	15000	\$195,000
2. Risers	4	2000	\$8,000
3. Control Valves	0	30000	\$0
4. Pig Lanuncher and Catchers	2	250000	\$500,000
5. Gate Station	1	950000	\$950,000
6. Oderazation Station	1	169000	\$169,000
Fittings			
1. Pipeline Fittings	1	30000	\$30,000
2.	0		\$0
Cathodic Protection			\$50,000
Measurement Costs			
Meter Runs			
1. Mass Flow Meter / W Block Valves	3	200000	\$600,000
2. Orifice Meter / W Block Valves	1	212500	\$212,500
3.	0		\$0
4.	0		\$0
Recorders/EFM	4	7400	\$29,600
Dehydrators	0	0	\$0
Compressors			
1.			\$0
2.			\$0
Vessels/Instrumentation			
1. Filter Seperator	1	150000	\$150,000
2. Gas Detectors	4	10000	\$40,000
3.	0	0	\$0
4.	0	0	\$0
5.	0	0	\$0
Tanks			
1. Surge Tank	0	0	\$0
2. Atmospheric Tanks	1	15000	\$15,000
Buildings	1	400000	\$400,000

BLUE OVAL TRUNKLINE 12"

Installation			
X-Ray/Coating - Pipeline			
Welds	8500	8.00	\$68,000
Days	60	1700	\$102,000
Pipe			
1. 12" X 0.250" API5L X60	34000	80.00	\$2,720,000
			\$0
			\$0
			\$0
			\$0
			\$0
			\$0
Road Crossings - Feet	1200	180	\$216,000
Highway Crossings - Feet	500	203	\$101,500
River Crossings - Feet	0	203	\$0
Creek Crossings - Feet	2000	180	\$360,000
Extra Cover - Feet	17000	3.00	\$51,000
Double Ditch - Feet	30600	1.00	\$30,600
Rock Ditch - Feet	0	145	\$0
Fence Gaps	30	1400	\$42,000
Pipeline/Utility Crossings	44	1200	\$52,800
Reseeding - Acres	39	1100	\$43,010
Clear & Bury Brush	6000	11.86	\$71,160
Set Launcher/Receiver and Cement Pillar	2	8500	\$17,000
Install Risers	0	1000	\$0
Site Prep and Purchase	2	25000	\$50,000
Mobilization	1	10000	\$10,000
Install Meter	4	12500	\$50,000
Install Gate Station	1	100000	\$100,000
Install Filter Separator	1	12500	\$12,500
Install Odorization	1	25000	\$25,000
Trucking, Freight and Crane	9	10000	\$90,000
TOTAL INSTALLATION	34000		\$4,212,570

Inspection - Days	100	3000	\$300,000
Sales Taxes	9.75 %		\$525,051
Start Up Costs / Inventory	1	100000	\$100,000
Legal / Regulatory	1	500000	\$500,000
Engineering / Permitting	3 %		\$354,874
Contingencies	15 %		\$1,774,369
=====			
TOTAL PROJECT COST			\$14,458,370

STATE OF Oklahoma)
COUNTY OF Tulsa)

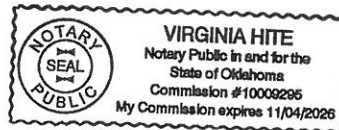
BEFORE ME, the undersigned authority, duly commissioned and qualified in and for the State and County aforesaid, personally came and appeared Robert Mitchell, being by me first duly sworn deposed and said that:

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.

Robert W Mitchell
Robert Mitchell

Sworn to and subscribed before me
this 19th day of December, 2023

Virginia Hite
Notary Public



My Commission Expires: 11/04/2026