



8140 North Mopac Expressway  
Building I, Suite 240  
Austin, TX 78759  
Phone: (512) 479-7900

March 16, 2021

Ms. Kimberly A. Campbell  
Chief Clerk  
North Carolina Utilities Commission  
430 North Salisbury Street, 5<sup>th</sup> Floor  
Raleigh, NC 27603-5918

**Subject: Docket No. W-100, Sub 60A - Utility Valuation Expert Application**

Dear Ms. Campbell:

Enclosed is my application to be added to the Utility Valuation Experts list in Docket No. W-100, Sub 60A. I am an Accredited Senior Appraiser (ASA) of public utility property certified by the American Society of Appraisers with over 15 years of experience performing appraisal studies of water, wastewater, natural gas, and solid waste property.

I look forward to the Commission's consideration of my application and having my name added to the list of authorized Utility Valuation Experts. Should you have any questions regarding the contents provided, please do not hesitate to contact me on my direct line at 512.900.8232, or by e-mail [grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net).

Sincerely,

**NewGen Strategies and Solutions, LLC**

A handwritten signature in dark ink that reads "Grant Rabon".

Grant Rabon, ASA  
Director

OFFICIAL COPY

Mar 25 2021

## UTILITY VALUATION EXPERT APPLICATION OF GRANT RABON, ASA

Please find below the application information required by North Carolina Utilities Commission Rule R7-41(c) for water utilities and Rule R10-28(c) for wastewater utilities to be added to the list of authorized Utility Valuation Experts.

**(1) A demonstration of the person's education and experience specific to providing valuations and appraisals of utility plant, as differentiated from other types of appraisal, such as for real estate.**

Since 2005, Mr. Rabon has managed projects for electric, water, wastewater, natural gas, and solid waste utility engagements. His educational background facilitates a unique understanding of the financial implications for technical projects. Further, he is one of less than 20 individuals in the nation with an ASA designation in Public Utilities from the American Society of Appraisers.

### EDUCATION

- Master of Business Administration, University of Texas at Austin (May 2005)
- Bachelor of Science in Chemical Engineering, Texas A&M University (May 1999)

**(2) A written attestation that a Utility Valuation Expert owes a fiduciary duty to provide a thorough, objective, and fair valuation.**

I, Grant Rabon, in accordance with NCUC Docket No. W-100, Sub 60A, acknowledge that the Commission, the Public Staff, the utility, and the Local Government Utility are anticipated to rely upon the valuation analysis conducted by me as a Utility Valuation Expert and that my analysis will be thorough, objective, and fair.

I also understand that the Commission will look to the law of this state, including the North Carolina Appraisers Act (N.C.G.S. Ch. 93E) and the Uniform Standards of Professional Appraisal Practice and relevant judicial decisions for more detailed guidance on these issues.

Mr. Rabon's notarized Verification Form is provided in Attachment A.

(3) A demonstration of financial and technical fitness, such as through production of professional licenses, technical certifications, and names of current or past clients with a description of dates and types of services provided.

### PROFESSIONAL REGISTRATIONS / CERTIFICATIONS

- Accredited Senior Appraiser (ASA) designation in Public Utilities from American Society of Appraisers (March 2011)

### PERSONAL/BUSINESS FINANCIAL COMMITMENT

Mr. Rabon does not hold any personal or business commitments to any individuals, companies, facilities, or properties that would call in to question his ability to provide a thorough, objective, and fair valuation.

In accordance with the Uniform Standards of Professional Appraisal Practice, prior to accepting an appraisal assignment, and/or if discovered during an assignment, Mr. Rabon must disclose to the client, if he has any current or prospective interest in the subject property or parties involved, that would call in to question his ability to provide a thorough, objective, and fair valuation.

### ADHERENCE TO STANDARDS COMMITMENT

All appraisal assignments performed by Mr. Rabon are performed in compliance with the Uniform Standards of Professional Appraisal Practice. Mr. Rabon will continue to adhere to the standards set forth by the Uniform Standards of Professional Appraisal Practice in the future as it relates to the valuation of utility plant.

### QUALIFIED UTILITY VALUATION EXPERT

Mr. Rabon is on the list of qualified Utility Valuation Experts for the Public Utility Commission of Texas to determine the fair market value of water utility assets, including using the cost, market, and income approaches to valuation and in compliance with the Uniform Standards of Professional Appraisal Practice (USPAP).

(4) A demonstration of adequate utility valuation and appraisal experience to support the Commission's decision to consider these persons or entities as experts in this field.

## UTILITY APPRAISALS AND VALUATIONS

Mr. Rabon has conducted valuations as well as fair market value appraisals to determine an indication of value for acquisitions/dispositions, or to evaluate municipalization or privatization of utilities. His experience also includes service area valuations to determine compensation for decertification of areas covered by certificates of convenience and necessity.

Key projects include:

- **Utility Acquisition and Regulated Rate Filing** – Conducted a fair market value appraisal of an investor-owned utility, including 13 water systems and 27 wastewater systems, in support of an acquisition of some of these systems by Greater Ouachita Water Company (GOWC). Subsequently conducted a comprehensive cost of service analysis for the existing water and wastewater utilities of GOWC and developed rates to recover all costs, including the acquisition and necessary capital improvements. Filed required schedules with the Louisiana Public Service Commission in support of the acquisition and rate request. (LPSC Docket No. U-32803)
- **Nashua Valuation** – Performed an income approach analysis to compare the rate revenue necessary to support three regulated, investor-owned water systems under public and private ownership scenarios. This analysis was in support of the City of Nashua's effort to acquire systems owned by Pennichuck Corporation via eminent domain. Ultimately, the city bought Pennichuck Corporation in its entirety in 2012.
- **San Francisco Appraisal** – Performed a preliminary valuation to estimate the fair market value of the electric transmission and distribution system in the City of San Francisco, California as part of the city seeking to municipalize the system owned by Pacific Gas and Electric.
- **Confidential Valuation** – Performed a preliminary valuation to estimate fair market value for the electric distribution system owned by an investor-owned utility in a confidential location.
- **Boulder Appraisal** – Performed a preliminary valuation to estimate the fair market value of the electric distribution system in the City of Boulder, Colorado as part of the city seeking to municipalize the system owned by Xcel Energy.
- **Woodcreek Appraisal** – Performed an appraisal of the water system serving the City of Woodcreek to assist the city in its endeavor to either acquire the system or reach a settlement with the investor-owned utility serving the city. Also provided negotiation assistance to the city in this process, which resulted in an agreement that addressed the rates charged within the city, active litigation, and other ancillary issues between the parties.
- **El Paso Water Utilities Appraisal** – Performed a fair market value appraisal of Esperanza Water Service Company operating in and around McNary, Texas on behalf of El Paso Water Utilities.
- **Brownsville Appraisal** – Performed an income approach analysis to determine an indication of value for the El Jardin Water Supply Corporation water system as well as a fair market value appraisal of the Brownsville Navigation District water and wastewater systems.
- **Clear Water Estates Appraisal** – Performed a fair market value appraisal of water system owned by Clear Water Estates for SJWTX, Inc., dba Canyon Lake Water Service Company, pursuant to §13.305 of the Texas Water Code. Among its other features, this appraisal involved intangible assets associated with excess water rights.

- **Commons Water Supply Appraisal** – Performed a fair market value appraisal of water system owned by the Commons Water Supply, Inc. for Aqua Texas, Inc. pursuant to §13.305 of the Texas Water Code.
- **Ft. Wayne Appraisal** – Performed a fair market value appraisal of Aqua Indiana’s water systems in and around the City of Fort Wayne, Indiana.
- **Bi-County Water Supply Corporation** – Performed a fair market value appraisal of Bi-County’s water utility near the City of Pittsburg, Texas.
- **Greater Ouachita Appraisal** – Performed a fair market value appraisal for a portion of Greater Ouachita Water Company’s water utility in and around the Town of Sterlington, Louisiana. The Town of Sterlington was interested in taking over the water utility serving in and around its corporate limits. The appraisal may be used by the Town of Sterlington to support a United States Department of Agriculture loan to acquire the utility.
- **City of Alexandria** – Performed a fair market value appraisal of a 12-inch steel natural gas pipeline owned and operated by EnLink Midstream for the City of Alexandria, Louisiana.
- **El Paso Landfill Valuation** – Twice performed landfill valuations for the City of El Paso’s Clint and McCombs Municipal Landfills, which provided an indication of value to the city and assisted in evaluating available options for solid waste disposal.
- **Superior Appraisal** – Performed a fair market value appraisal of the Moccasin Mike Landfill owned and operated by the City of Superior, Wisconsin.
- **Service Area Valuations** – Conducted service area valuations pursuant to §13.254 and §13.255 of the Texas Water Code to determine compensation for decertification of areas covered by Certificates of Convenience and Necessity (CCN) for the following utilities.
  - Johnson County Special Utility District, Texas
  - Rice Water Supply & Sewer Supply Corporation, Texas
  - Liberty City Water Supply Corporation, Texas
  - Jarrell-Schwertner Water Supply Corporation, Texas
  - Guadalupe-Blanco River Authority, Texas
  - Mountain Peak Special Utility District, Texas

## OTHER RELEVANT EXPERIENCE

- **Austin Energy Cost of Service and Testimony** – Conducted a comprehensive, unbundled cost of service analysis for the electric utility and designed rates to achieve the City of Austin’s goals. Filed direct testimony on behalf of the City of Austin d/b/a Austin Energy at the Public Utility Commission of Texas (PUC) in defense of the electric rates adopted by Austin City Council. (PUC Docket No. 40627)
- **Electric Wholesale Rate Damages** – Calculated damages owed to three electric cooperatives and one municipally owned utility as part of a wholesale rate dispute with the Lower Colorado River Authority in Travis and Kerr County, Texas District Courts. This included recreating billing determinants and the development of a market access rate. (Cause No. D-1-GN-12-002156 and Cause No. 12-1001-B)
- **Lower Colorado River Authority Wholesale Water Benchmarking and Rate Analysis** – Performed a benchmarking analysis to identify best practices among wholesale water entities around the nation, with an emphasis on innovative rate structures and water conservation efforts. A long-term rate analysis was conducted to incorporate projected capital projects to expand the water supply over a 90 year horizon under various rate structures.

- **San Antonio Water System Project Delivery Financial Modeling** – Developed a financial feasibility model to evaluate the relative capital and operational costs under various project delivery options for a 20 million-gallon-per-day brackish groundwater desalination facility, including traditional DBB, DB, DBO and a customized DBOOT.

**Other Cost of Service and Rate Design Studies** – Conducted one or more comprehensive cost of service and rate design studies for the following entities:

- |                                     |                                                   |
|-------------------------------------|---------------------------------------------------|
| ▪ City of Athens, Texas             | ▪ City of Temple, Texas                           |
| ▪ City of Borger, Texas             | ▪ City of Tucson, Arizona                         |
| ▪ City of Bryan, Texas              | ▪ City of Vernon, California                      |
| ▪ City of Del Rio, Texas            | ▪ City of Weatherford, Texas                      |
| ▪ City of Greenville, Texas         | ▪ Greater Ouachita Water Company, Louisiana       |
| ▪ City of Hobbs, New Mexico         | ▪ Levi Water Supply Corporation, Texas            |
| ▪ City of Las Cruces, New Mexico    | ▪ Liberty City Water Supply Corporation, Texas    |
| ▪ City of Longview, Texas           | ▪ Gonzales County Water Supply Corporation, Texas |
| ▪ City of New Braunfels, Texas      | ▪ Manville Water Supply Corporation, Texas        |
| ▪ City of Nogales, Arizona          | ▪ North Slope Borough, Alaska                     |
| ▪ City of Olathe, Kansas            | ▪ Pima County, Arizona                            |
| ▪ City of Peoria, Arizona           | ▪ Rockett Special Utility District, Texas         |
| ▪ City of Pflugerville, Texas       | ▪ St. Tammany Parish, Louisiana                   |
| ▪ City of Sealy, Texas              | ▪ Snohomish County, Washington                    |
| ▪ City of Sioux Falls, South Dakota | ▪ Town of Estes Park, Colorado                    |
| ▪ City of Stillwater, Oklahoma      | ▪ Walker County Special Utility District, Texas   |
| ▪ City of Sugar Land, Texas         | ▪ Wellborn Special Utility District, Texas        |
| ▪ City of Tempe, Arizona            | ▪ York County, South Carolina                     |

**(5) A statement that the Utility Valuation Expert will make use of the assessment of the tangible assets of the system to be acquired, which assessment shall be from a Professional Engineer jointly retained by the utility and the Local Government Utility and make use of the Water and Wastewater Fair Value Engineering Assessment Form included in the Appendix to this Chapter as a template for the engineer's assessment.**

I, Grant Rabon, will make use of the assessment of the tangible assets of the system to be acquired, which assessment shall be from a Professional Engineer jointly retained by the utility and the Local Government Utility and make use of the Water and Wastewater Fair Value Engineering Assessment Form included in the Appendix to Chapter 7 and Chapter 10 of the Commission's Rules and Regulations.

**(6) A statement that the Utility Valuation Expert will comply with the requirements of G.S. 62-133.1A in conducting their appraisal, including that the Utility Valuation Expert shall appraise the subject property in compliance with the Uniform Standards of Professional Appraisal Practice, employing cost, market, and income approaches to assessment of value.**

I, Grant Rabon, will comply with the requirements of G.S. 62-133.1A in conducting appraisals as a Utility Valuation Expert, including that the Utility Valuation Expert shall appraise the subject property in compliance with the Uniform Standards of Professional Appraisal Practice, employing cost, market, and income approaches to assessment of value.

**(7) Any other information as required by the Commission.**

If there is any other information the Commission requires in order to make their decision, please let me know.

Thank you for considering my application. If you have any questions, please contact me at [grabon@newgenstrategies.net](mailto:grabon@newgenstrategies.net) or 512.900.8232.

Sincerely,

**NewGen Strategies and Solutions, LLC**



Grant Rabon, ASA  
Director

**ATTACHMENT A  
VERIFICATION FORM**

STATE OF Texas  
COUNTY OF Travis

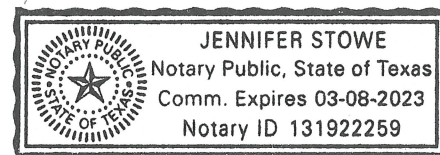
Grant Rabon personally appeared before me this day and, being first duly sworn, says that the facts stated in the foregoing filing and any exhibits, documents, and statements thereto attached are true as he or she believes.

WITNESS my hand and notarial seal, this day of March day of 16, 2021.

My Commission Expires: 03/08/2023

Jennifer Stowe  
Signature of Notary Public

Jennifer Stowe  
Name of Notary Public - Typed or Printed



The name of the person who completes and signs this verification must be typed or printed by the notary in the space provided in the verification. The notary's name must be typed or printed below the notary's seal. This original verification must be affixed to the original filing that is submitted to the Commission.