

February 22, 2021

Ms. Kimberly A. Campbell, Chief Clerk
North Carolina Utilities Commission
4325 Mail Service Center
Raleigh, North Carolina 27699-4325

RE: Docket No. W-100, Sub 60A – Order Establishing Proceeding to Establish and Maintain List of
Utility Valuation Experts

Dear Ms. Campbell,

I am respectfully requesting to be added to the North Carolina Utilities Commission (“Commission”) list of Utility Valuation Experts. Please find below the application information required by Commission Rule R7-41(c) and Rule R10-28(c).

Thank you for your consideration of my application. Should you have any questions, please feel free to contact me at ddascendis@scottmadden.com or 609.680.8695.

Sincerely,



Dylan W. D'Ascendis
Director





(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 appraisals, such as for real estate.

Mr. D'Ascendis is a graduate of the University of Pennsylvania, where he received a Bachelor of Arts degree in Economic History in 2003. Mr. D'Ascendis received a Master of Business Administration with high honors and concentrations in Finance and International Business from Rutgers University in 2008.

Mr. D'Ascendis has offered expert testimony on behalf of investor-owned utilities in 30 state regulatory commissions in the United States, the Federal Energy Regulatory Commission, the Alberta Utility Commission, and one American Arbitration Association panel on issues including, but not limited to, common equity cost rate, rate of return, valuation, capital structure, class cost of service, and rate design. A listing of Mr. D'Ascendis' valuation assignments is provided in response to requirement (3), below.

On behalf of the American Gas Association ("AGA"), Mr. D'Ascendis calculates the AGA Gas Index, which serves as the benchmark against which the performance of the American Gas Index Fund ("AGIF") is measured on a monthly basis. The AGA Gas Index and AGIF are a market capitalization weighted index and mutual fund, respectively, comprised of the common stocks of the publicly traded corporate members of the AGA.

Mr. D'Ascendis is a member of the National Association of Certified Valuation Analysts ("NACVA") and was awarded the professional designation "Certified Valuation Analyst" by the NACVA in 2015.

Mr. D'Ascendis is also a member of the Society of Utility and Regulatory Financial Analysts ("SURFA"). In 2011, he was awarded the professional designation "Certified Rate of Return Analyst" by SURFA, which is based on education, experience, and the successful completion of a comprehensive written examination.



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

Mr. D'Ascendis, in accordance with NCUC Docket No. W-100, Sub 60A, acknowledges that the Commission, the Public Staff, the utility, and the Local Government Utility are anticipated to rely upon the valuation analysis conducted by him as a Utility Valuation Expert and that his analysis will be thorough, objective, and fair.

Mr. D'Ascendis also understands the Commission will look to the laws of the state of North Carolina, the North Carolina Appraisers Act, the Uniform Standards of Professional Appraisal Practice, and relevant judicial decisions for guidance on these issues.

Please see Attachment A for Mr. D'Ascendis' notarized Verification Form.



(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.

As stated above, Mr. D'Ascendis is a member of the NACVA and was awarded the professional designation "Certified Valuation Analyst" by the NACVA in 2015. Mr. D'Ascendis was awarded the professional designation "Certified Rate of Return Analyst" by SURFA in 2011.

A detailed listing of Mr. D'Ascendis' valuation clients is provided below. This list demonstrates Mr. D'Ascendis' commitment to adhere with the Uniform Standards of Professional Appraisal Practice in the past and he commits to doing so in his future engagements.

Sponsor	Date	Assets Valued	Description
City of York, PA	01/2021	Wastewater Operations	Authored Valuation Report, which will be a part of an Act 12 Filing
Delaware City, DE	01/2021	Wastewater Operations	Authored valuation report for internal purposes
EPCOR Distribution and Transmission, Inc., Alberta Canada	12/2020	Fiber Optic Cable Assets	Fiber optic cable available for lease for Internal purposes
EPCOR Distribution and Transmission, Inc., Alberta Canada	12/2020	Duct Bank Assets	Duct banks available for lease for Internal purposes
Borough of Lewistown, PA	08/2020	Water Operations	Authored valuation report for internal purposes
Town of Frankford, DE	06/2020	Wastewater Operations	Authored valuation report for internal purposes
Foster Township, PA	04/2020	Water Operations	Authored valuation report for internal purposes
City of Erie, PA	04/2020	Water Operations	Authored valuation report for internal purposes
Delaware County Regional Water Quality Control Authority	02/2020	Wastewater Operations	Authored Valuation Report, which will be a part of an Act 12 Filing
Washington County Water System, NC	02/2020	Water Operations	Authored Valuation Report for internal purposes
Egg Harbor City, NJ	02/2020	Water Operations	Authored Valuation Report for internal purposes
City of Ashtabula, OH	11/2019	Wastewater Operations	Authored Valuation Report for internal purposes
Steeltown Water Authority	06/2018	Water Operations	Authored Valuation Report, which will be a part of an Act 12 Filing
Block Island Power Company	04/2018	Electric Operations	Authored Valuation Report for internal purposes

Sponsor	Date	Assets Valued	Description
Mahoning Township, PA	09/2017	Water and Sewer Assets	Authored Valuation Report, which is part of an Act 12 Filing
Atmos Energy Corporation	09/2016	Intrastate Natural Gas Pipeline	Authored Valuation for internal purposes.
Springfield Township, PA	08/2014	Water and Sewer Assets	Co-Authored Valuation Report, which was part of House Bill 1379 Filing (similar to PA Act 12)
Village of Glenview, IL (North Maine Utilities)	07/2014	Sewer Assets	Co-Authored Valuation report for internal purposes
Erie City Water Authority, Erie, PA	12/2013	Water Assets	Sponsored Valuation Testimony in Arbitration Hearing
City of Allentown, PA	12/2012	Water and Sewer Assets	Assisted in the generation of Valuation Report

(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.

Mr. D'Ascendis' valuations are conducted in accordance with the Statement on Standards for Valuation Services and the Uniform Standards of Professional Appraisal Practice, which necessitates the consideration of the Cost, Market, and Income approaches to arrive at a conclusion of value. The mentioned approaches will be summarized below:

The Cost Approach is a valuation method that typically values the underlying assets of a company to derive their market value. Because this method only focuses on the company's underlying assets, it fails to reflect the past and projected profitability of the company, as well as the associated risks inherent in the company's operations. Typically, the analyst would start with the current replacement (or reproduction) cost new of the assets being valued, and then deduct for the loss in value caused by physical deterioration, functional obsolescence, and economic obsolescence of those assets, to arrive at an indicated market value.

The Market Approach considers comparable transactions of similar utilities in the same general timeframe and general operational area as the company and other market-based data to establish a fair market value. Usually, finding comparable transactions is difficult, if not impossible, since no two companies are identical, nor are they usually timely. In addition, details surrounding utility transactions, particularly private transactions, are incomplete at best. In spite of these challenges, an analyst may be able to pinpoint a relevant multiple of purchase price or transaction value and then apply that multiple to the Subject Interest to derive a value for that Interest. One can also look to the market data of publicly-traded companies comparable in risk to the Subject Interest for an indication of value.

The Income Approach provides an indication of value by discounting the expected or future cash flows of a company to a present value. The projected cash flows must account for additional investment and reflect the specific growth potential of the system being valued. The discount rate used to calculate the present value of the company must be derived from market data of similar risk companies. The discount rate must also take into account how the potential acquirer will finance the transaction (e.g. debt, equity, or a combination of debt and equity).



(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, Dylan W. D'Ascendis, 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, Dylan W. D'Ascendis, 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.

Again, thank you for your consideration of my application. Should you have any questions, please feel free to contact me at ddascendis@scottmadden.com or 609.680.8695.

Sincerely,

Dylan W. D'Ascendis
Director

ATTACHMENT A

VERIFICATION

STATE OF New Jersey COUNTY OF Burlington

Dylan Descendis, 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 believes.

WITNESS my hand and notarial seal, this 22 day of Feb., 2021.

Margaret A Clancy

Signature of Notary Public

Margaret A Clancy
Notary Public of New Jersey
My Commission Expires 6/9/2024

Margaret A Clancy

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.