



112 Westwood Place  
Suite 165  
Brentwood, TN 37027  
Phone: (615) 922-5996

March 23, 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 615-970-7875, or by e-mail [mlane@newgenstrategies.net](mailto:mlane@newgenstrategies.net).

Sincerely,

**NewGen Strategies and Solutions, LLC**



Mike Lane, ASA  
Director

## UTILITY VALUATION EXPERT APPLICATION OF MIKE LANE, 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.**

Mr. Lane has been a management consultant for over 25 years, including experience in management, organizational development, operations, finance and valuation. Mr. Lane's broad range of experience includes organizational assessments, team building, strategic and business planning, business development, as well as financial and economic feasibility studies. Before starting his consulting career, he served as a submarine based nuclear power plant supervisor in the United States Navy and as an instructor at the U.S. Navy's Naval Nuclear Prototype Training Program in Ballston Spa, New York. Michael has an M.B.A. from the Jack Massey Graduate School of Business at Belmont University, a BBA from Belmont University and an Associates in Applied Sciences in Nuclear Engineering Technology from Thomas Edison State College. He is an Accredited Facilitator of the Five Behaviors of Cohesive Teams workshops and an Authorized Partner of Wiley's The Five Behaviors Program.

### EDUCATION

- Master of Business Administration in Finance, Belmont University (2003)
- Bachelor of Science in Business Administration, Belmont University (1999)
- Associate of Science in Nuclear Engineering Technology, Thomas Edison State College (1994)

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

I, Mike Lane, 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. Lane'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) by the American Society of Appraisers: Public Utilities (2003)
- Accredited Facilitator of The Five Behaviors of a Cohesive Team™ (02/2020)
- Certified Everything DiSC Trainer (10/2020)

### PERSONAL/BUSINESS FINANCIAL COMMITMENT

Mr. Lane 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. Lane 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. Lane are performed in compliance with the Uniform Standards of Professional Appraisal Practice. Mr. Lane 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. Lane 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

### Water and Wastewater Assets

Mr. Lane conducts appraisals of water and wastewater assets in accordance with the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board and the American Society of Appraisers. He has conducted condition assessments and appraisal studies to estimate a range of acquisition values and an estimation of the value of the system assets using both Cost and Income Approaches.

He has assisted clients in considering monetization alternatives of water and wastewater systems, including long-term concession, asset sale, regionalization, and creation of new public entities. Mr. Lane has been involved in the development of a 20-year discounted cash flow model and fair; a solicitation of interest to generate marketplace ideas for more operational synergy and capital program execution; and an evaluation of alternatives and determining an optimum path forward.

Mr. Lane has also provided oral testimony to county commissions in support of the appraisals he has conducted. Mr. Lane's water and wastewater assets appraisal clients include:

- Blue Mound Water & Sewer, TX
- Brownsville Public Utilities Board, TX
- City of Blue Mound, TX
- City of Geneva, OH
- City of Westfield, IN
- Citizens Energy Group, IN
- Louisville Water Company, KY
- King George County Service Authority, VA
- Currituck County, NC
- Falls Church, VA
- Ferrate Treatment Technologies, FL
- Greater Quachita Water Company, LA
- Indianapolis Water, IN
- Kill Devil Hills, NC
- Town of Lexington, SC
- City of Lawrenceville, GA

### Power Generation Assets

Mr. Lane has extensive experience performing appraisals of electric generation assets, including coal, gas, nuclear, and renewable assets. Mr. Lane frequently conducts an inspection of the facilities in connection with the appraisal. He performs appraisal studies to determine the fair market value relying on generally accepted valuation methods and procedures. He researches the technical profile of the facilities, conducts market simulations, and calculates net cash flow projections, and analyzes a variety of market drivers, including generation resources, environmental factors, fuel prices, transmission constraints, new generation resource characteristics, regulatory considerations, and market economics.

Mr. Lane has developed replacement cost new less depreciation value estimates of the common facilities to support sale/lease-back transactions. He has expertise in projected fair market rental payments, and estimated value of facilities based on the three generally accepted approaches - cost, income and market. Mr. Lane provides recommendations as to which approach to valuation is the best indicator of value for specific properties.

Mr. Lane has conducted appraisals for Valorem tax purposes in accordance with the Uniform Standards of Professional Appraisal Practice and the Texas Property Tax Code. In addition, Mr. Lane provided expert witness testimony before the 18th District Court.

**Coal and Gas Fired Power Generation and Co-Generation Assets**

- Capstone Advisory Group / Boston Generating, LLC, MA
- Golden Valley Electric Association, AK
- Key Equipment Finance Corporation, AZ
- Northern Virginia Electric Co-Op (misc. generation), VA
- Bank of America Leasing, AZ
- Williams Power Company, LA
- Yards Creek, NJ
- Mesirow Financial, CA
- Mass Municipal Wholesale Electric Co. MA
- Tri-state G&T, AZ
- Philip Morris Capital Corporation, AZ
- International Power Americas, MA
- ADA CoGen, MI
- KBC Bank ADA CoGen, MI
- Smurfit-Stone Container, SC
- Credit Agricole Investment Bank
- International Power Americas, TX
- Wheelabrator Sherman Energy Company, ME
- Southeastern Public Service Authority, VA
- GE Capital, ME
- Tenaska, NE
- Rusk County Appraisal District, TX

**Renewable Generation Assets****Wind:**

- Duke-Fowler Wind Farm, IN
- Glacier Wind Farms, MT
- Naturener, MT
- Granite Reliable Power, LLC, CT
- Southern Cal Public Power Authority, CA
- Capstar Partners Capital, LLC, OR

**Geothermal:**

- Capstar Capital Partners NV
- Ormat Nevada, Inc., CA

**Solar Photovoltaic:**

- CSOLAR Development, LLC, CA
- Tenaska Imperial Solar Energy Center South (CSOLAR South), CA
- Tenaska Imperial Solar Energy Center West (CSOLAR West), CA

**Hydro:**

- AMP, OH
- Connell Finance Company, Inc., NJ
- City of Hamilton, OH

**Nuclear Generation Assets**

- Comanche Peak Generating Station Somervell County Appraisal District, TX
- Nuclear Innovations North America, LLC, TX
- Northern Virginia Electric Cooperative
- CPS Energy, TX

**Biomass:**

- Waste of Nantucket, MA
- Nex Bank, TX
- AES Corporation, CA
- GE Energy Financial Services, CT
- Wheelabrator Sherman Energy Company, ME
- Greater Detroit Resource Recovery Agency, MI

**Alternative Fuels:**

- Macquaries Securities, MN (landfill)
- The Harrisburg Authority, PA (mass burn)
- Plasco Energy Group Inc., Ontario, Canada (solid waste)
- RB International Finance, CA (biodiesel)
- Monroe County Landfill, GA (waste-to-energy)
- City of Lisbon, CT (waste-to-energy)
- Onandaga County Resource Recover Agency, NY (waste-to-energy)



**Transmission and Distribution Assets**

Mr. Lane conducts appraisals of energy transmission and distribution assets in accordance with the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board and the American Society of Appraisers. His transmission and distribution assets appraisal clients include:

- City of Concord, NC
- Middle Tennessee Electric Membership Cooperative, TN
- Northern Virginia Electric Cooperative, VA
- South Kentucky Rural Electric Cooperative Corporation, KY
- Confidential client

**Steam and Chilled Water Assets**

Mr. Lane conducted a “limited” appraisal of production facilities associated with steam and chilled water business. “Limited” appraisals as defined by the Uniform Standards of Professional Appraisal Practice (USPAP) results from invoking the Departure Rule which limited the appraisal investigation to the Income Approach only. His steam and chilled water assets appraisal clients include:

- Charon Capital, CT

**Oil and Gas Assets**

Mr. Lane conducts appraisals of oil and gas assets in accordance with the Uniform Standards of Professional Appraisal Practice adopted by the Appraisal Standards Board and the American Society of Appraisers. Projects include:

- American Midstream Partners, LP (Burns Point plant)
- Bank of America Leasing (gas gathering)
- Carerra (natural gas transportation and storage)
- Greer, Herz and Adams, LLP on behalf of El Paso County Appraisal District, TX
- Kentucky Governor's Office for Local Development, KY
- City of Rockport, TX
- American Midstream Partners, LP
- Marlin Midstream, LLC (natural gas extraction and transportation)
- Massachusetts Development Finance Agency, MA
- Price Waterhouse Coopers (natural gas extraction and transportation)
- Tierra Pipeline GP, LLC (natural gas pipeline transportation)

**Valuation Analysis**

Mr. Lane provides valuation assistance and related expert witness testimony for clients. In providing these services, Mr. Lane has performed a valuation of contracted upgrades to facilities and provided qualified and objective analyses of the value of upgrades. Mr. Lane has also provided negotiation support, assisting the client in negotiating a reasonable value.

Mr. Lane performed an allocation of purchase price study for 12 natural gas assets acquired by a client. A detailed review of documentation related to the operating condition of each asset and the purchase transaction was performed. Mr. Lane applied two valuation methodologies, the income approach estimated the contribution of each asset to total net free cash flow and results were used to allocate the purchase price among the entities. The cost approach estimated the portion of the purchase price to be allocated to tangible asset value. His valuation analysis clients include:

- Alcoa Power Generating, Inc., PA
- American Midstream Assets, Southeastern United States
- Odin, Feldman, Pittleman P.C., VA

## OTHER RELEVANT EXPERIENCE

### Useful Life Analysis

Mr. Lane has performed useful life analysis for the following clients:

- Smurfit-Stone Container, SC
- Comanche Peak Nuclear Generating Station, TX
- Capstar Partners Capital, LLC, OR
- Tri-State Generation & Transmission Association, Inc., CO

### Municipalization Feasibility Analysis

Mr. Lane conducts feasibility analysis and appraisals regarding the possible municipalization of the assets. His analyses have included estimating annual operating results of the proposed water system over the 20-year study period, under a set of reasonable assumptions regarding such factors as the purchase price of the system, start-up costs, water rates, customer growth, and operation and maintenance expenses, among others. Mr. Lane has also prepared a feasibility analysis for a city regarding the possible purchase of electric assets owned by an investor-owned utility. Mr. Lane prepared a 10-year projection of electric utility revenues, expenses, and retail rate impacts under which electrical assets are owned and operated by the City.

- City of Geneva, Ohio
- City of Wagner, South Dakota
- City of Spearfish, South Dakota

### Privatization Feasibility Analysis

Due to rising costs of facility development and operation, the client was interested in evaluation of methods to increase efficiency and reduce the cost of providing solid waste management services. Mr. Lane conducted a competitive procurement of private disposal services and prepare the necessary contracts and proposal documents to implement privatized waste disposal. He developed a draft operating contract identifying specific requirements for environmental liabilities, risk allocation, payment, and service levels for the private sector. Mr. Lane and his team conducted a detailed economic analysis comparing privatization with continued use of the client's landfill. Projects include:

- Southeast Public Service Authority of Virginia



(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, Mike Lane, 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, Mike Lane, 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 [mlane@newgenstrategies.net](mailto:mlane@newgenstrategies.net) or 615-970-7875.

Sincerely,

NewGen Strategies and Solutions, LLC



Mike Lane, ASA  
Director

**ATTACHMENT A  
VERIFICATION FORM**STATE OF TennesseeCOUNTY OF Davidson

Mike Lane 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 23<sup>rd</sup> day of March, 2021.

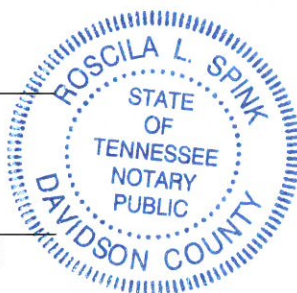
My Commission Expires: July 9, 2022

Roscila L. Spink

Signature of Notary Public

Roscila L. Spink

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.