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Michael Lane, ASA

Director, Energy Practice

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Mr. Mike Lane is a Director within NewGen, bringing more than 25 years of experience in providing financial, technical, and management consulting services to various industries. He has served as a Project Manager for a range of financial studies for water, wastewater, electric, and gas utilities across the country. This includes cost of service and rate design projects, financial planning, feasibility studies, and valuation studies.

He is an Accredited Senior Appraiser (ASA) by the American Society of Appraisers, specializing in Public Utilities Appraisals; less than 20 professionals nationwide hold this designation. Mike has extensive expert witness experience regarding the appraisal of electric plant property for property tax appraisals.

EDUCATION

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

PROFESSIONAL REGISTRATIONS / CERTIFICATIONS

- Accredited Senior Appraiser by the American Society of Appraisers: Public Utilities

KEY EXPERTISE

- Utility Appraisals and Valuations
- Financial Planning
- Litigation Support
- Cost of service and rate design
- Merger and Acquisition

RELEVANT EXPERIENCE

Appraisals - 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, Texas
- Brownsville Public Utilities Board, Texas
- Currituck County, North Carolina
- Falls Church, Virginia

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- City of Blue Mound, Texas
- City of Geneva, Ohio
- City of Westfield, Indiana
- Citizens Energy Group, Indiana
- Louisville Water Company, Kentucky
- King George County Service Authority, Virginia
- Ferrate Treatment Technologies, Florida
- Greater Quachita Water Company, Louisiana
- Indianapolis Water, Indiana
- Kill Devil Hills, North Carolina
- Town of Lexington, South Carolina
- City of Lawrenceville, GA

Appraisals - 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 plants

- Capstone Advisory Group / Boston Generating, LLC, Massachusetts
- Golden Valley Electric Association, Alaska
- Key Equipment Finance Corporation, Arizona
- Northern Virginia Electric Co-Op (misc. generation), Virginia
- Bank of America Leasing, Arizona
- Williams Power Company, Louisiana
- Yards Creek, New Jersey
- Mesirow Financial, California
- Mass Municipal Wholesale Electric Co. Massachusetts
- Tri-state G&T, Arizona
- Philip Morris Capital Corporation, Arizona
- International Power Americas, Massachusetts
- ADA CoGen, Michigan
- KBC Bank ADA CoGen, Michigan
- Smurfit-Stone Container, South Carolina
- Credit Agricole Investment Bank
- International Power Americas, Texas
- Wheelabrator Sherman Energy Company, Maine
- Southeastern Public Service Authority, Virginia
- GE Capital, Maine
- Tenaska, Nebraska
- Rusk County Appraisal District, Texas

Nuclear generation assets

- Comanche Peak Generating Station Somervell County Appraisal District, Texas
- Northern Virginia Electric Cooperative

- Nuclear Innovations North America, LLC, Texas
- CPS Energy, Texas

Renewable generation assets

Wind:

- Duke-Fowler Wind Farm, Indiana
- Glacier Wind Farms, Montana
- Naturener, Montana
- Granite Reliable Power, LLC, Connecticut
- Southern Cal Public Power Authority, California
- Capstar Partners Capital, LLC, Oregon

Geothermal:

- Capstar Capital Partners Nevada
- Ormat Nevada, Inc., California

Solar Photovoltaic:

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

Hydro:

- AMP, Ohio
- Connell Finance Company, Inc., New Jersey
- City of Hamilton, Ohio

Biomass:

- Waste of Nantucket, Massachusetts
- Nex Bank, Texas
- AES Corporation, California
- GE Energy Financial Services, Connecticut
- Wheelabrator Sherman Energy Company, Maine
- Greater Detroit Resource Recovery Agency, Michigan

Alternative Fuels:

- Macquaries Securities, Minnesota (landfill)
- The Harrisburg Authority, Pennsylvania (mass burn)
- Plasco Energy Group Inc., Ontario, Canada (solid waste)
- RB International Finance, California (biodiesel)
- Monroe County Landfill, Georgia (waste-to-energy)
- City of Lisbon, Connecticut (waste-to-energy)
- Onandaga County Resource Recover Agency, New York (waste-to-energy)

Appraisals - 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, North Carolina
- Middle Tennessee Electric Membership Cooperative, Tennessee
- Northern Virginia Electric Cooperative, Virginia
- South Kentucky Rural Electric Cooperative, Kentucky
- Confidential client

Appraisal - 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

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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, Connecticut

Appraisals - 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, Texas
- Kentucky Governor's Office for Local Development, Kentucky
- City of Rockport, Texas
- American Midstream Partners, LP
- Marlin Midstream, LLC (natural gas extraction and transportation)
- Massachusetts Development Finance Agency, Massachusetts
- 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., Pennsylvania
- American Midstream Assets, Southeastern United States
- Odin, Feldman, Pittleman P.C., Virginia

Useful Life Analysis

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

- Smurfit-Stone Container, South Carolina
- Capstar Partners Capital, LLC, Oregon
- Comanche Peak Nuclear Generating Station, Texas
- Tri-State Generation & Transmission Association, Inc., Colorado

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

Cost of Service and Rate Design

Mr. Lane assists in the preparation of cost of service and rate studies for electric, gas, water, and wastewater utilities. The studies have consisted of determining revenue requirements for the utilities, then allocating the cost-of-service to the appropriate customer class, developing five-year revenue and rate review, and cost un-bundling.

Mr. Lane has also prepared an evaluation of large power billing data for use in developing comparative rate guidelines. With this information, the client was able to identify areas for improving the existing large power rate structure.

Electric Systems

- Buckeye Rural Electric Cooperative, Ohio
- Clark County Rural Electric Membership Corporation, Indiana
- Hartselle Utilities, Alabama
- Harrison County REMC, Indiana

Water And Wastewater Utilities

- City of Mt. Sterling, Kentucky
- Frankfort Electric Water Plant Board, Kentucky
- Georgetown Municipal Water and Sewer Service, Kentucky

Gas Utility

- Decatur Gas System, Alabama

Financial Planning & Budgeting Model

Mr. Lane developed a comprehensive financial decision-making tool designed to project the utility's financial performance over a 25-year period. The tool is designed to run multiple scenarios representing various business plans in real-time and is integrated with the client's budgeting, cost of service, and generation planning models as well as other financial and operating inputs. A visual dashboard and other reporting mechanisms have been

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developed to optimize debt, rate, and capital funding options while calculating key financial performance and reporting metrics.

Mr. Lane has facilitated workshops with various utilities for the development of a financial planning and budgeting tool. As a result of the financial planning process, the utilities were delivered a dynamic, fully integrated financial and budgeting tool allowing finance staff to instantaneously run multiple scenarios, including capital scenario analyses. This Excel based tool includes embedded help and updating capabilities and is compatible with NewGen's rate modeling and cost of service tools.

Mr. Lane has provided financial planning and budgeting tools to the following utilities:

- Keys Energy Services, Florida
- City of Biloxi, Mississippi
- CPS Energy, San Antonio, Texas
- City of Fayetteville, North Carolina
- Georgetown Municipal Water and Sewer Service, Kentucky
- Henderson Municipal Power and Light, Kentucky
- City of Denton, Texas

PRESENTATIONS AND PUBLICATIONS

Mr. Lane has given numerous presentations and participated in training and workshops in several states. These activities have focused on Appraisal, expert witness consulting, cost of service, risk management, and financial planning. Host organizations and the topics Mr. Lane presented are displayed below.

American Public Power Association

- *New Strategies in Financial Planning and Budget Modeling*
- *Financial Planning & Budgeting*

Texas Public Power Association

- *Risk Management/ERCOT Compliance Issues*
- *Financial Planning & Budgeting*

Equipment Leasing and Finance Association

- *Appraisal of Renewable Generation Assets*

National Conference of Unit Valuation States

- *Electric Deregulation – Issues and Challenges for Unit Valuation*

COMPANY OVERVIEW

NewGen Strategies & Solutions

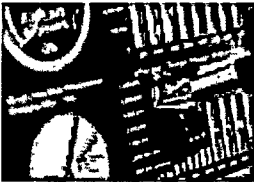
NewGen is a management and economic consulting firm specializing in serving the utility industry and market. We provide financial, due diligence, valuation, strategy, expert witness, stakeholder, and sustainability consulting services to public utility clients across the country. Our expertise includes litigation support in state and federal regulatory proceedings, utility business and financial planning, and sustainability strategy for water, wastewater, electric; solid waste, and natural gas utilities.

NewGen was created by consultants who are dedicated to our client's mission and recognized as experts in our respective fields of service. Our assistance to clients is provided with a keen insight to the growing role of stakeholders, resource availability, cost of providing utility services, and economic conditions, ensuring an integrated approach to utility operations and services.

We apply our expertise to deliver high impact solutions through our diverse and integrated market perspective; resulting in effective decision-making and implementation.

WE EXCEL AT TACKLING COMPLICATED ISSUES TO DELIVER A CLEAR AND ENDURING PATH FORWARD

APPRAISAL AND VALUATION SERVICES



NewGen's appraisal and valuation team has broad experience across the power and utility business spectrums, including expertise in water, wastewater, electric, gas, and oil assets.

NewGen's appraisal and valuation consulting practice provides comprehensive valuation services and expertise in the following areas:

APPRAISAL SERVICES

- Our reports comply with the Uniform Standards of Professional Appraisal Practice (USPAP)
- Our appraisals consider the three generally accepted approaches to value: Cost Approach, Income Approach, and Market Approach
- **NewGen employs 3 of the less than 20 nationwide Accredited Senior Appraisers (ASA) accredited by the American Society of Appraisers with a public utilities designation**

VALUATION CONSULTING

- Our appraisers have a wealth of experience assisting in the transaction process with valuation assistance including:
 - Fairness opinions
 - Valuation for financing
 - Depreciation studies

LITIGATION SUPPORT

- Expert witness testimony before courts and regulatory bodies across the country
- Our comprehensive analyses support litigation efforts at trial
- Our reputation for objectivity and unbiased conclusions provides credibility at trial