

# Scott H. Burnham

## Financial and Economic Analysis

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### Indiana University

Master of Public Affairs  
Master of Science

### University of Colorado

M.B.A. in Finance

### Texas A&M University

Bachelor of Science

### Key Expertise

- Retail Rate and Cost of Services Studies
- Feasibility Studies and Financial Analyses
- Asset Appraisals and Valuations
- Consulting Engineer Reports

Scott Burnham offers 13 years of experience, primarily in the area of cost of service analysis, asset valuation, and utility restructuring. His areas of expertise include acquisition, privatization, and competitive assessments for electric utilities, which includes financial and feasibility analysis and evaluation. His project responsibilities have included financial analyses, asset appraisals and evaluations, and project management. Mr. Burnham has a leadership role at SAIC and is also responsible for the mentoring and management of entry level engineers and analysts.

## Relevant Project Experience

### Retail Rate and Cost of Services Studies

Mr. Burnham has participated in numerous retail rate studies for electric, water, wastewater, and gas utilities. He also performs unbundling studies for municipal and other public power clients. Additionally, Mr. Burnham has experience in water rates, wholesale electric rates, rates negotiation, and evaluation for large industrial customers. His cost of service and retail rate experience includes:

- **Strategic Financial Services - Rate Options** – Fort Collins Utilities; Colorado. SAIC was selected to provide strategic financial services to Fort Collins Utilities, an electric, water, wastewater and stormwater utility. Mr. Burnham has developed a rate options study for the electric utility, which addressed the long-term vision and future technological challenges of the utility as well as its existing financial strategy, cost-of-service and rate design models. Mr. Burnham has worked with Utilities management and staff to develop a long-term rate strategy that will move the Utilities from the current rate structure to a future rate structure that maximizes the value of AMI metering and other benefits from a technology enhanced smart grid system, including review of a time-of-use rate structure to facilitate the likely adoption of plug-in hybrid electric vehicles (PHEV).
- **Utility Rate Study/Cost of Service** – Austin Energy (AE), Texas. SAIC is providing a cost-of-service and rate design study to assist AE in developing and adopting new utility rates. This effort may include the development of time-differentiated (time-of-use) retail rates. Mr. Burnham provided support for the cost-of-service and rate design study, which includes preparation of cost-of-service methodologies unbundling approaches, cost classification techniques, cost allocation methods, and rate design alternatives.
- **Cost of Service/Rate Design - Combined Utility** – Lafayette Consolidated Government; Louisiana. R. W. Beck was retained to provide a cost of service analysis and proposed retail rate design for the combined utilities, electric, water, and wastewater. The project required the assignment of utility costs, including proposed capital improvements, to the various retail rate classes within each utility. Mr. Burnham served as the project manager and also assisted in the development of the electric cost-of-service analysis and subsequent electric rate design. Mr. Burnham was also responsible for development of the associated summary report.
- **Electric Cost of Service Study** – Colorado Springs Utilities; Colorado. R. W. Beck was selected to provide a review of the existing cost-of-service analysis associated with the street lighting and traffic lighting retail rate classes. Mr. Burnham provided support to the project team through his review of the allocation methodology and development of the subsequent letter report.

- **Cost of Service and Rate Development** – Farmington, New Mexico. R. W. Beck was chosen to develop a cost of service for electric retail service and a subsequent rate design for rate-payers. The project required re-classification of various large energy users within the system from contract rates to tariff rates, as well as presentation of proposed rates before the City Council. Mr. Burnham was the lead analyst for the project and was responsible for development of the presentations and draft reports.

## **Feasibility Studies and Financial Analysis**

Mr. Burnham has developed financial models that provide clients with impacts associated with various technical and financial feasibility analyses. These analyses include impacts to projected net operating revenues from potential financings, investments, and other client actions. His efforts have involved assessing public versus private utility ownership, developing sales and revenue summaries, analyzing utility investment options, and reviewing firm and non-firm price trends.

In addition, Mr. Burnham has developed and reviewed pro forma financial models to determine projected revenue and costs associated with various projects and financing approaches for power generation facilities. These financial models focus on the development of debt-service coverage ratios within the terms of a proposed financing effort. These models, and associated reports, are generally relied upon by the investment community to determine if a project is economically viable. Recent projects include:

### **Combined Utility Financial Pro Forma Model**

#### **Lafayette Consolidated Government, Louisiana**

As Consulting Engineer, our firm developed a 10-year projection of financial operating results for the electric, water, wastewater, and fiber utilities for the client that incorporated average retail rate changes for each utility, as well as capital improvement expenses and associated debt issues. Mr. Burnham oversaw the development of the financial model and provided review during various stages.

### **Smart Grid Assistance**

#### **Duke Energy, North Carolina**

Mr. Burnham assisted with the review of the successful U.S. Department of Energy (DOE) Loan Guarantee Program application for Funding Opportunity as a result of American Recovery and Reinvestment Act legislation. The Loan Guarantee Program was designed to assist utilities with existing and proposed smart grid systems with a demonstrated source of financing. For this project, Mr. Burnham reviewed the applicant's financial projections and structure and its emission reduction projections/calculations that would result from smart grid implementation. Mr. Burnham provided comment and recommendations on applications prior to their submission to DOE.

### **North American Smart Grid Market and Technology Study**

#### **Arizona Public Service (APS), Arizona**

SAIC was retained by APS to perform an assessment of smart grid deployments taking place across North America. The study served as strategic input to APS's intelligent infrastructure strategy and planning development. Mr. Burnham was involved in the efforts to collect and analyze data and assess

the smart grid initiatives of utilities across the nation to provide information on the maturity of relevant technologies and vendors. The study examined a number of smart grid domain areas, including plug-in hybrid electric vehicles, electric vehicles, vehicle-to-grid, smart charging applications, and smart appliances.

### **Solar Distributed Energy Study**

Arizona Public Service, Arizona

Our firm was retained to provide the methodology and analysis to determine the value associated with various distributed solar technologies. The study incorporated a stakeholder facilitation process, as well as technical and financial analysis associated with the distribution, transmission, and generation functions of the utility. Mr. Burnham assisted in the management of the project and development of the draft and final report, which was filed with the state regulatory agency.

### **Dry Fork Consulting Engineering Report**

Wyoming Municipal Power Agency, Wyoming

Our firm provided engineering and financial support for financing a share of the Dry Fork Station, a 385 MW coal-fired facility in northwest Wyoming. Mr. Burnham led the project team, developed the projected operating results, and was responsible for preparing the Consulting Engineering Report and associated financing certificates.

### **Oklauion Power Station – Potential Purchase Analysis**

Brownsville Public Utility Board, Texas

As Consulting Engineer, our firm assisted with a review and analysis associated with the potential purchase of an additional share of the Oklauion Power Station. Mr. Burnham was responsible for developing the projections of the financial operating results for various ownership scenarios.

### **Project Alternative Siting Model**

Black Hills Energy, Colorado

Our firm was retained to assist in reviewing three potential locations for future generation facilities. Mr. Burnham worked with the project team to help develop a financial model that included the technical, financial, and economic input parameters to optimize value of various siting alternatives.

### **Geothermal Generation Facility – Phase I Report**

Merrill Lynch Capital Markets, Nevada

Our firm provided technical and financial review (Phase I) for the purposes of securing project financing for a geothermal resource facility. Mr. Burnham led the development of the projected financial operating results utilized within our firm's Phase I report.

### **Street Light Study / Intervener Support**

City of Aurora, Colorado

Our firm was retained to provide financial feasibility associated with municipal ownership of street lighting systems. The initial study recognized the criticality of obtaining an energy-only rate for such systems. Subsequent engagements consisted of assisting a group of municipal governments with negotiations/rate case intervention with the incumbent utility. Mr. Burnham served as the project manager for this project.

### **Empresa Electrica Ventanas S.A.**

Fortis Capital Corporation, Chile

Our firm provided a technical and financial review (Phase I) for the purposes of securing project financing for a coal-fired generation facility located in Chile. Mr. Burnham led the development of the projected financial operating results utilized within our firm's Phase I report, which included analysis of various power purchase arrangements and financing alternatives.

### **Payment-In-Lieu of Tax Analysis**

City of Colorado Springs, Colorado

Our firm was retained to review the current payment-in-lieu of taxes paid by the municipally owned utility with respect to taxes, fees, and other payments made by investor-owned utilities in the State of Colorado. Mr. Burnham was responsible for development of the financial alternative analyses as well as development of the draft report.

### **Competitive Assessment Study**

Arizona Public Service, Arizona

Our firm developed an analysis for APS's retail cost structure relative to potential municipal scenarios. Mr. Burnham was responsible for development of the financial impacts to potential rate-payers as a result of municipal ownership.

### **Asset Appraisals and Valuations**

Mr. Burnham has conducted/managed appraisals and valuations for generation assets and transmission and distribution systems. These models have been used to determine the value of assets and asset-related cash flows, including royalties and municipal transfers. Mr. Burnham also analyzes market data to determine comparable sales data for appraisal valuations. Additionally, he has assisted with the development of replacement and original cost less depreciation analyses. Mr. Burnham has assisted and conducted several on-site evaluations of asset condition, observable operations, and maintenance procedures. He is a member of the American Society of Appraisers (ASA) and is in the process of obtaining his ASA certification. His project experience includes:

### **Coleto Creek Power Plant Appraisal**

International Power America Inc., Texas

Our firm was retained to provide an independent appraisal of the fair market value of an existing coal-fired generation resource in northeast Texas. Mr. Burnham was the lead appraiser and was responsible for development of the fair market valuation analysis and the associated report.

### **Nuclear Expansion Risk Analysis**

CPS Energy, Texas

R. W. Beck was retained to assist with the review of the various technical and financial risks associated with the development of additional units at an existing nuclear-powered generation facility. The project included assistance in support of a Department of Energy loan assistance program, as well as various ownership alternatives. As lead appraiser, Mr. Burnham was responsible for development of the fair market valuation as well as the associated report and various ancillary analyses.

### **McCommas Financial Evaluation**

City of Dallas Sanitation Services Department, Texas

R. W. Beck was retained to provide engineering and financial feasibility analysis associated with existing and proposed landfill operations, focusing on methane extraction and utilization. One aspect of the project involved assisting in a bankruptcy proceeding to determine the best options available to the landfill owner. Mr. Burnham was responsible for development of the financial feasibility analysis, which including valuation analyses for various scenarios.

### **Comprehensive Engineer Reports**

Mr. Burnham has developed Comprehensive Engineer Reports and associated ordinance-required reviews for various municipal utilities. These reviews typically require an assessment of the utilities' financial and physical operations for the duration of the bond period. The field review also includes a determination of the condition of the physical assets of the utility, which incorporates a review of the utility's budgeting and planning process. Mr. Burnham's project experience includes:

- Terrebonne Parish Consolidated Government; Louisiana. Project advisor for the preparation of the annual consulting engineer's report for the gas and electric utility operations since 1998.
- Lafayette Utilities; Louisiana. Preparation of the annual consulting engineer's report for revenue bond resolution covenants and requirements including review of electric, water, and wastewater utilities since 2000.
- Lafayette Public Power Authority (LPPA); Louisiana. Three-year review of LPPA operations including generation assets, bond covenants, and revenue requirements.