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December 21, 2018

VIA ELECTRONIC FILING

Ms. Martha Lynn Jarvis
Chief Clerk
North Carolina Utilities Commission
430 North Salisbury Street
Raleigh, N.C. 27603

*Re: Pre-filed Direct Testimony of John C. Ahlrichs
DOCKET NO. E-7, SUB 1181; DOCKET NO. SP-12478, SUB 0;
DOCKET NO. SP-12479, SUB 0*

Dear Clerk Jarvis:

Enclosed is the pre-filed direct testimony of John C. Ahlrichs on behalf of Northbrook Carolina Hydro II, LLC and Northbrook Tuxedo, LLC to be filed in the above-referenced dockets.

Thank you for your assistance. Please contact me if you have any questions.

Sincerely,

/s/ Katherine E. Ross

Enclosure

cc: Parties of record

PPAB 4617202v1

PREFILED DIRECT TESTIMONY OF
JOHN C. AHLRICHS
ON BEHALF OF NORTHBROOK CAROLINA HYDRO II, LLC
AND NORTHBROOK TUXEDO, LLC

DOCKET NO. E-7, SUB 1181
DOCKET NO. SP-12478, SUB 0
DOCKET NO. SP-12479, SUB 0

INTRODUCTION

Q. PLEASE STATE YOUR NAME, TITLE AND BUSINESS ADDRESS.

A. My name is John C. Ahlrichs. I am the President of Northbrook Energy, LLC ("Northbrook Energy"). My business address is 14550 N Frank Lloyd Wright Blvd, Ste 210, Scottsdale, AZ 85260.

Q. PLEASE DESCRIBE YOUR EDUCATION AND PROFESSIONAL EXPERIENCE.

A. I am a professional engineer with a BS in Civil Engineering. I have been the President of Northbrook Energy since 2006 and have been involved in dam and hydropower ownership, management, financing, acquisition, sale, restructuring, licensing, development, operations, design, construction and rehabilitation for 35 years.

Q. PLEASE DESCRIBE NORTHBROOK ENERGY AND ITS RELATIONSHIP WITH NORTHBROOK CAROLINA HYDRO II, LLC AND NORTHBROOK TUXEDO, LLC.

A. Northbrook Energy is a privately held, independent power producer that has been in the hydroelectric power business for 38 years. Northbrook Energy has owned 23 hydropower facilities in 12 states. Among the facilities

20 currently owned by Northbrook Energy, four are located in western North
21 Carolina and South Carolina, in Duke Energy Carolina's service territory.

22 Northbrook Energy has partnered with New Energy Capital Partners, a
23 clean energy infrastructure firm, to form Northbrook Carolina Hydro II, LLC and
24 Northbrook Tuxedo, LLC for the purpose of acquiring the Bryson, Franklin,
25 Gaston Shoals, Mission and Tuxedo hydropower facilities.

26 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THIS**
27 **COMMISSION?**

28 A. No.

29 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

30 A. The purpose of my testimony is to provide the Commission with
31 background information about Northbrook Energy's managerial, financial and
32 technical capabilities to own and operate the Bryson, Franklin, Gaston Shoals,
33 Mission and Tuxedo facilities ("Facilities"), which are the subject of this docket.

34 **Q. DESCRIBE NORTHBROOK ENERGY'S MANAGEMENT TEAM**
35 **AND ITS TECHNICAL CAPABILITY TO OWN AND OPERATE THE**
36 **FACILITIES.**

37 A. Northbrook Energy identifies and acquires risk-tolerable
38 hydropower assets via private equity and project debt financing. Through hands-
39 on management, Northbrook Energy has particular proficiency in increasing
40 reliability, productivity and firm value in hydropower assets.

41 Northbrook Energy, through its wholly owned subsidiary Northbrook
42 Power Management, LLC ("NPM"), has operated 29 hydropower facilities for our
43 own companies and for third-party clients, including private equity and pension

44 funds, infrastructure companies, utilities, municipalities, counties and bond
45 insurers. NPM is comprised of hydropower specialists in engineering, operations,
46 maintenance, construction management, regulatory compliance, power
47 marketing, finance and accounting.

48 **Q. DESCRIBE NORTHBROOK ENERGY'S FINANCIAL**
49 **CAPABILITIES TO OWN AND OPERATE THE FACILITIES.**

50 A. Northbrook Energy has the financial wherewithal, acquisition
51 experience and financial backing to acquire and properly operate and maintain
52 the Facilities in conjunction with its existing portfolio of hydropower facilities.
53 Northbrook Energy's hydropower acquisition experience includes facilities
54 purchased from investor-owned utilities Duke Energy, Niagara Mohawk Power
55 and Commonwealth Edison. Northbrook Energy sells power through short-term
56 and long-term contracts, as well as into hourly spot markets, and has a long,
57 successful history working with state and federal agencies. Our recent
58 hydropower deal sizes have spanned \$2 million to over \$100 million per
59 transaction. Northbrook is a debt-free going concern.

60 **Q. DOES THIS CONCLUDE YOUR TESTIMONY?**

61 A. Yes.