

Liberty Utilities (Granite State Electric) Corp. d/b/a Liberty Utilities

DE 19-064
Distribution Service Rate Case
2019 Step Adjustment

Record Request 2

REQUEST:

Please state the term of the lease for 130 Main Street, and please describe the treatment of any undepreciated capital investments should the company vacate the leased premises at 130 Main Street.

RESPONSE:

The term of the lease for 130 Main Street is 5 years, beginning August 2019, with a right to renew for an additional 5 years. The rent increases from \$2,540 per month in year one to \$2,735 in year 5, then escalates 3% per year thereafter. The Company intends to remain in the facility for at least this 10 year term.

Capital costs for leasehold improvements are depreciated over the term of lease.

If, for some reason, the Company vacates the property prior to lease end, the Company will net the residual amount of lease liability and the remaining book value to calculate gain or loss.