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August 8, 2018



***Via Electronic Mail and Hand Delivery***

Debra A. Howland, Executive Director  
New Hampshire Public Utilities Commission  
21 South Fruit Street, Suite 10  
Concord, NH 03301-2429

**Re: Docket No. DG 17-048; Liberty Utilities (EnergyNorth Natural Gas) Corp.  
Request for Change in Rates**

Dear Ms. Howland:

On behalf of Liberty Utilities (EnergyNorth Natural Gas) Corp. d/b/a Liberty Utilities, enclosed please find seven copies of the First Amended Training Center Lease Agreement, both signed and red-lined versions, which are being filed in compliance with Order No. 26,156 (July 10, 2018).

The Commission stated in Order No. 26,122 at 25 (Apr. 27, 2018) (Order Approving Permanent Rates) that it “will not permit [a portion of the training center] costs to be included in rates.” In a subsequent order addressing Liberty’s motion for clarification, the Commission found the training center lease to be just and reasonable and directed Liberty to amend the lease to reflect that rate base exclusion:

“Given the findings in the Order [Approving Permanent Rates], the lease should be amended to allow EnergyNorth to charge Granite State Electric a proportionate share of its return on its *prudently incurred* investment in its training center of \$2,347,000. Without such amendment, Granite State Electric would pay a return on assets that EnergyNorth did not demonstrate were prudently incurred, a result that would not be just and reasonable. Accordingly, we find that Liberty should amend its lease and then file the amended lease.

Order No. 26,156 at 8 (July 10, 2018) (emphasis in original).

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The operative amendment to the lease states that Granite State's rent shall be based on EnergyNorth's "*prudently incurred* capital investment in the Training Center." The Company has recalculated Granite State's rent payment using the formula in the Amended Lease, which calculation did not include the excluded costs. The annual rent payable by Granite State effective May 1, 2018, is \$68,302, as compared to the prior year's rent of \$96,764. In future years the Company will continue to apply the Lease's formula to calculate Granite State's rent, which calculation will continue to exclude the capital costs referenced in the above orders.

Thank you.

Sincerely,

A handwritten signature in dark ink, appearing to read "M. Sheehan", written in a cursive style.

Michael J. Sheehan

cc: Service List  
Enclosures

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**SERVICE LIST - EMAIL ADDRESSES - DOCKET RELATED**

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**Pursuant to N.H. Admin Rule Puc 203.11 (a) (1): Serve an electronic copy on each person identified on the service list.**

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Docket #: 17-048-1      Printed: August 08, 2018

**FILING INSTRUCTIONS:**

- a) Pursuant to N.H. Admin Rule Puc 203.02 (a), with the exception of Discovery, file 7 copies, as well as an electronic copy, of all documents including cover letter with:**
- DEBRA A HOWLAND  
EXECUTIVE DIRECTOR  
NHPUC  
21 S. FRUIT ST, SUITE 10  
CONCORD NH 03301-2429
- b) Serve an electronic copy with each person identified on the Commission's service list and with the Office of Consumer Advocate.**
- c) Serve a written copy on each person on the service list not able to receive electronic mail.**