



January 30, 2024

BY ELECTRONIC MAIL

Jared S. Chicoine, Commissioner  
New Hampshire Department of Energy  
21 S. Fruit Street, Suite 10  
Concord, NH 03301-2964

**Re: RSA 366:3 – Affiliate Lease Agreements (Portsmouth, NH)**

Commissioner Chicoine:

Pursuant to RSA 366:3 I submit to the Department the following:

- Lease Agreement between Northern Utilities, Inc. and Granite State Gas Transmission, Inc. in connection with certain land and improvements located at 325 West Road, Portsmouth, New Hampshire;
- Lease Agreement between Northern Utilities, Inc. and Unitil Service Corp. in connection with certain land and improvements located at 325 West Road, Portsmouth, New Hampshire;
- Affidavit of Todd R. Diggins, Chief Accounting Officer and Controller for Unitil Corporation, verifying that these are true and accurate copies of the enclosed lease agreements.

Though made effective January 1, 2024, these agreements were signed by the parties on January 23, 2024, and thus this filing is timely pursuant to RSA 366:3.

Thank you for your attention to this matter. Please do not hesitate to contact me should you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to read "Patrick H. Taylor", written over a horizontal line.

Patrick H. Taylor  
Chief Regulatory Counsel

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Patrick H. Taylor  
Chief Regulatory Counsel  
taylorp@unitil.com

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Hampton, NH 03842

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## AFFIDAVIT OF TODD R. DIGGINS

Todd R. Diggins, does hereby state as follows:

1. I am over eighteen years of age; I am competent to provide this affidavit; and I have personal knowledge of the facts set forth below.
2. I am Chief Accounting Officer and Controller for Unitil Corporation, which is the parent Company to subsidiaries Northern Utilities, Inc., Granite State Gas Transmission, Inc., and Unitil Service Corp.
3. I verify that the Lease Agreement between Northern Utilities, Inc. and Granite State Gas Transmission, Inc. is a true and accurate copy of the Lease Agreement.
4. I verify that the Lease Agreement between Northern Utilities, Inc. and Unitil Service Corp. is a true and accurate copy of the Lease Agreement.
5. The Lease Agreements were signed by the parties on January 23, 2024.

Signed under the pains and penalties of perjury as of this 30<sup>th</sup> day of January, 2024.



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Todd R. Diggins

## **Lease Agreement**

This Lease Agreement ("Lease") is made and effective January 1, 2024, by and between Northern Utilities, Inc. ("Lessor") and Granite State Gas Transmission, Inc. ("Lessee"). Lessor is the owner of land and improvements located at 325 West Road, Portsmouth, New Hampshire ("Leased Premises"). Lessor desires to lease the Leased Premises to Lessee, and Lessee desires to lease the Leased Premises from Lessor for the term, at the rental and upon the covenants, conditions and provisions herein set forth.

THEREFORE, in consideration of the mutual promises herein, contained and other good and valuable consideration, it is agreed:

### **1. Term.**

A. Lessor hereby leases the Leased Premises to Lessee, and Lessee hereby leases the same from Lessor, for an "Initial Term" beginning January 1, 2024 and ending December 31, 2033.

B. Lessee may renew the Lease for one extended term of ten years. Lessee shall exercise such renewal option, if at all, by giving written notice to Lessor not less than ninety (90) days prior to the expiration of the Initial Term. The renewal term shall be at the rental set forth below and otherwise upon the same covenants, conditions and provisions as provided in this Lease.

### **2. Rental.**

Lessee shall pay to Lessor a rental amount in monthly installments based on cost to maintain the Leased Premises multiplied by the square footage of the Leased Premises occupied by Lessee.

### **3. Use**

Notwithstanding the forgoing, Lessee shall not use the Leased Premises for the purposes of storing, manufacturing or selling any explosives, flammables or other inherently dangerous substance, chemical, thing or device.

### **4. Sublease and Assignment.**

Lessee shall have the right without Lessor's consent, to assign this Lease to a corporation with which Lessee may merge or consolidate, to any subsidiary of Lessee, to any corporation under common control with Lessee, or to a purchaser of substantially all of Lessee's assets. Except as set forth above, Lessee shall not sublease all or any part of the Leased Premises, or assign this Lease in whole or in part without Lessor's consent, such consent not to be unreasonably withheld or delayed.

### **5. Repairs.**

During the Lease term, Lessee shall make, at Lessee's expense, all necessary repairs to the Leased Premises. Repairs shall include such items as routine repairs of floors, walls, ceilings, and other parts of the Leased Premises damaged or worn through normal occupancy, except for major mechanical systems or the roof, subject to the obligations of the parties otherwise set forth in this Lease.

### **6. Alterations and Improvements.**

Lessee, at Lessee's expense, shall have the right following Lessor's consent to remodel, redecorate, and make additions, improvements and replacements of and to all or any part of the Leased Premises from time to time as Lessee may deem desirable, provided the same are made in a workmanlike manner and utilizing good quality materials. Lessee shall have the right to place and install personal property, trade fixtures, equipment and other temporary installations in and upon the Leased Premises, and fasten the same to the premises. All personal property, equipment, machinery, trade fixtures and temporary installations, whether acquired by Lessee at the commencement of the Lease term or placed or installed on the Leased Premises by Lessee thereafter, shall remain Lessee's property free and clear of any claim by Lessor. Lessee shall

have the right to remove the same at any time during the term of this Lease provided that all damage to the Leased Premises caused by such removal shall be repaired by Lessee at Lessee's expense.

**7. Property Taxes.**

Lessor shall pay, prior to delinquency, all general real estate taxes and installments of special assessments coming due during the Lease term on the Leased Premises, and all personal property taxes with respect to Lessor's personal property, if any, on the Leased Premises. Lessee shall be responsible for paying all personal property taxes with respect to Lessee's personal property at the Leased Premises.

**8. Insurance.**

A. If the Leased Premises or any other part of the Building is damaged by fire or other casualty resulting from any act or negligence of Lessee or any of Lessee's agents, employees or invitees, rent shall not be diminished or abated while such damages are under repair, and Lessee shall be responsible for the costs of repair not covered by insurance.

B. Lessor shall maintain fire and extended coverage insurance on the Building and the Leased Premises in such amounts as Lessor shall deem appropriate. Lessee shall be responsible, at its expense, for fire and extended coverage insurance on all of its personal property, including removable trade fixtures, located in the Leased Premises.

C. Lessee and Lessor shall, each at its own expense, maintain a policy or policies of comprehensive general liability insurance with respect to the respective activities of each in the Building with the premiums thereon fully paid on or before due date, issued by and binding upon some insurance company approved by Lessor, such insurance to afford minimum protection of not less than \$1,000,000 combined single limit coverage of bodily injury, property damage or combination thereof.

**9. Utilities.**

Lessor shall pay all charges for water, sewer, gas, electricity, telephone and other services and utilities used by Lessee on the Leased Premises during the term of this Lease unless otherwise expressly agreed in writing. Lessee acknowledges that the Leased Premises are designed to provide standard office use electrical facilities and standard office lighting. Lessee shall not use any equipment or device that utilizes excessive electrical energy or which may, in Lessor's reasonable opinion, overload the wiring or interfere with electrical services to other Lessees.

**10. Signs.**

Following Lessor's consent, Lessee shall have the right to place on the Leased Premises, at locations selected by Lessee, any signs which are permitted by applicable zoning ordinances and private restrictions. Lessor may refuse consent to any proposed signage that is in Lessor's opinion too large, deceptive, unattractive or otherwise inconsistent with or inappropriate to the Leased Premises or use of any other Lessee. Lessor shall assist and cooperate with Lessee in obtaining any necessary permission from governmental authorities or adjoining owners and occupants for Lessee to place or construct the foregoing signs. Lessee shall repair all damage to the Leased Premises resulting from the removal of signs installed by Lessee.

**11. Entry.**

Lessor shall have the right to enter upon the Leased Premises at reasonable hours to inspect the same, provided Lessor shall not thereby unreasonably interfere with Lessee's business on the Leased Premises.

**12. Parking.**

During the term of this Lease, Lessee shall have the non-exclusive use in common with Lessor, other Lessees of the Building, their guests and invitees, of the non-reserved common automobile parking areas,

driveways, and footways, subject to rules and regulations for the use thereof as prescribed from time to time by Lessor. Lessor reserves the right to designate parking areas within a reasonable proximity of the Building, for Lessee and Lessee's agents and employees.

**13. Damage and Destruction.**

Subject to Section 8 A. above, if the Leased Premises or any part thereof or any appurtenance thereto is so damaged by fire, casualty or structural defects that the same cannot be used for Lessee's purposes, then Lessee shall have the right within ninety (90) days following damage to elect by notice to Lessor to terminate this Lease as of the date of such damage. In the event of minor damage to any part of the Leased Premises, and if such damage does not render the Leased Premises unusable for Lessee's purposes, Lessor shall promptly repair such damage at the cost of the Lessor. In making the repairs called for in this paragraph, Lessor shall not be liable for any delays resulting from strikes, governmental restrictions, inability to obtain necessary materials or labor or other matters which are beyond the reasonable control of Lessor. Lessee shall be relieved from paying rent and other charges during any portion of the Lease term that the Leased Premises are inoperable or unfit for occupancy, or use, in whole or in part, for Lessee's purposes. Rentals and other charges paid in advance for any such periods shall be credited on the next ensuing payments, if any, but if no further payments are to be made, any such advance payments shall be refunded to Lessee. The provisions of this paragraph extend not only to the matters aforesaid, but also to any occurrence which is beyond Lessee's reasonable control and which renders the Leased Premises, or any appurtenance thereto, inoperable or unfit for occupancy or use, in whole or in part, for Lessee's purposes.

**14. Default.**

If default shall at any time be made by Lessee in the payment of rent when due to Lessor as herein provided, and if said default shall continue for fifteen (15) days after written notice thereof shall have been given to Lessee by Lessor, or if default shall be made in any of the other covenants or conditions to be kept, observed and performed by Lessee, and such default shall continue for thirty (30) days after notice thereof in writing to Lessee by Lessor without correction thereof then having been commenced and thereafter diligently prosecuted, Lessor may declare the term of this Lease ended and terminated by giving Lessee written notice of such intention, and if possession of the Leased Premises is not surrendered, Lessor may reenter said premises. Lessor shall have, in addition to the remedy above provided, any other right or remedy available to Lessor on account of any Lessee default, either in law or equity. Lessor shall use reasonable efforts to mitigate its damages.

**15. Quiet Possession.**

Lessor covenants and warrants that upon performance by Lessee of its obligations hereunder, Lessor will keep and maintain Lessee in exclusive, quiet, peaceable and undisturbed and uninterrupted possession of the Leased Premises during the term of this Lease.

**16. Condemnation.**

If any legally constituted authority condemns the Building or such part thereof which shall make the Leased Premises unsuitable for leasing, this Lease shall cease when the public authority takes possession, and Lessor and Lessee shall account for rental as of that date. Such termination shall be without prejudice to the rights of either party to recover compensation from the condemning authority for any loss or damage caused by the condemnation. Neither party shall have any rights in or to any award made to the other by the condemning authority.

**17. Subordination.**

Lessee accepts this Lease subject and subordinate to any mortgage, deed of trust or other lien presently existing or hereafter arising upon the Leased Premises, or upon the Building and to any renewals, refinancing and extensions thereof, but Lessee agrees that any such mortgagee shall have the right at any time to subordinate such mortgage, deed of trust or other lien to this Lease on such terms and subject to such conditions as such mortgagee may deem appropriate in its discretion. Lessor is hereby irrevocably vested with full power and authority to subordinate this Lease to any mortgage, deed of trust or other lien now existing or hereafter placed upon the Leased Premises of the Building, and Lessee agrees upon

demand to execute such further instruments subordinating this Lease or attorning to the holder of any such liens as Lessor may request. In the event that Lessee should fail to execute any instrument of subordination herein required to be executed by Lessee promptly as requested, Lessee hereby irrevocably constitutes Lessor as its attorney-in-fact to execute such instrument in Lessee's name, place and stead, it being agreed that such power is one coupled with an interest. Lessee agrees that it will from time to time upon request by Lessor execute and deliver to such persons as Lessor shall request a statement in recordable form certifying that this Lease is unmodified and in full force and effect (or if there have been modifications, that the same is in full force and effect as so modified), stating the dates to which rent and other charges payable under this Lease have been paid, stating that Lessor is not in default hereunder (or if Lessee alleges a default stating the nature of such alleged default) and further stating such other matters as Lessor shall reasonably require.

19. **Notice.**

Any notice required or permitted under this Lease shall be deemed sufficiently given or served if sent by United States certified mail, return receipt requested, addressed as follows:

If to Lessor to:

Northern Utilities, Inc.  
325 West Road  
Portsmouth, NH 03801

If to Lessee to:

Granite State Gas Transmission, Inc.  
325 West Road  
Portsmouth, NH 03801

Lessor and Lessee shall each have the right from time to time to change the place notice is to be given under this paragraph by written notice thereof to the other party.

20. **Brokers.**

Lessee represents that Lessee was not shown the Premises by any real estate broker or agent and that Lessee has not otherwise engaged in, any activity which could form the basis for a claim for real estate commission, brokerage fee, finder's fee or other similar charge, in connection with this Lease.

21. **Waiver.**

No waiver of any default of Lessor or Lessee hereunder shall be implied from any omission to take any action on account of such default if such default persists or is repeated, and no express waiver shall affect any default other than the default specified in the express waiver and that only for the time and to the extent therein stated. One or more waivers by Lessor or Lessee shall not be construed as a waiver of a subsequent breach of the same covenant, term or condition.

22. **Memorandum of Lease.**

The parties hereto contemplate that this Lease should not and shall not be filed for record, but in lieu thereof, at the request of either party, Lessor and Lessee shall execute a Memorandum of Lease to be recorded for the purpose of giving record notice of the appropriate provisions of this Lease.

23. **Headings.**

The headings used in this Lease are for convenience of the parties only and shall not be considered in interpreting the meaning of any provision of this Lease.

24. **Successors.**

The provisions of this Lease shall extend to and be binding upon Lessor and Lessee and their respective legal representatives, successors and assigns.

**25. Consent.**

Lessor shall not unreasonably withhold or delay its consent with respect to any matter for which Lessor's consent is required or desirable under this Lease.

**26. Performance.**

If there is a default with respect to any of Lessor's covenants, warranties or representations under this Lease, and if the default continues more than fifteen (15) days after notice in writing from Lessee to Lessor specifying the default, Lessee may, at its option and without affecting any other remedy hereunder, cure such default and deduct the cost thereof from the next accruing installment or installments of rent payable hereunder until Lessee shall have been fully reimbursed for such expenditures, together with interest thereon at a rate equal to the lesser of twelve percent (12%) per annum or the then highest lawful rate. If this Lease terminates prior to Lessee's receiving full reimbursement, Lessor shall pay the unreimbursed balance plus accrued interest to Lessee on demand.

**27. Compliance with Law.**

Lessee shall comply with all laws, orders, ordinances and other public requirements now or hereafter pertaining to Lessee's use of the Leased Premises. Lessor shall comply with all laws, orders, ordinances and other public requirements now or hereafter affecting the Leased Premises.

**28. Final Agreement.**

This Agreement terminates and supersedes all prior understandings or agreements on the subject matter hereof. This Agreement may be modified only by a further writing that is duly executed by both parties.

**29. Governing Law.**

This Agreement shall be governed, construed and interpreted by, through and under the Laws of the State of New Hampshire.

IN WITNESS WHEREOF, the parties have executed this Lease effective as of the day and year first above written.

Northern Utilities, Inc.

By:  \_\_\_\_\_

Name: Todd Diggins

Granite State Gas Transmission, Inc.

By:  \_\_\_\_\_

Name: DAN HURSTAK