• Current Atlanta office lease
  ▪ Expires in October 2025
  ▪ Offers a one-time early termination option
    o Must be exercised by October 31, 2021
    o Effective October 31, 2022

• Proposed new office space
  ▪ 40% reduction of leased space to support new workforce model
  ▪ Attractive financial offer
    o Landlord incentives cover a majority of construction, furnishing and move costs
    o Annual rent and facility cost savings in future budgets (over $900k savings in 2023)
  ▪ Stakeholder and employee benefits
Out-of-Pocket (OOP) Costs and Budget Impacts

- 2021 – Up to $2.0M for early termination payment
  - Funded by OCR, no impact to assessments

- 2022 Budget Amendment
  - Additional $800k in OOP costs, budgeted as fixed asset expenditures in Administrative Program area
  - No impact to overall 2022 assessments; costs funded by
    - $700k Future Obligation Reserve (Atlanta deferred rent)
    - $100k Operating Contingency Reserve
  - Additional fixed asset allocation from Administrative to statutory programs slightly increases Canadian credits for 2022 Budget
    - Propose to incorporate additional credit in 2023 calculations
    - Only impacts four entities, with a total amount of $14k or 0.02% of total assessments

- No impact to overall assessments related to OOP costs
• Amended 2022 budget posted for comment
  ▪ Abbreviated two-week comment period starting on September 14

• Seeking FAC recommendation of Board approval for
  ▪ Authority to execute mutually acceptable lease, based term sheet parameters
  ▪ 2022 budget amendment for
    o $800k in capital expenditures related to the new lease
    o Funded by combination of Future Obligation and Operating Contingency reserves

• File 2022 budget amendment with FERC by end of September