



Versant Power Open Customer Meeting - Maine Public District

June 21, 2023

Welcome

This open customer meeting is an annual event in which Versant Power as your electric transmission provider discusses our annual transmission rate update.

We appreciate your time today and thank you for joining us.

Agenda

- Welcome (*Shelby Hartin*)
- Safety Message (*Norm Bolliger*)
- Versant Power & Rates Overview (*Stephen Johnston*)
- Transmission Rates Effective July 1 (*Lloyd Maynard*)
- Other Rates Effective July 1
- Closing Remarks (*Stephen Johnston*)
- Discussion and Questions (*All*)

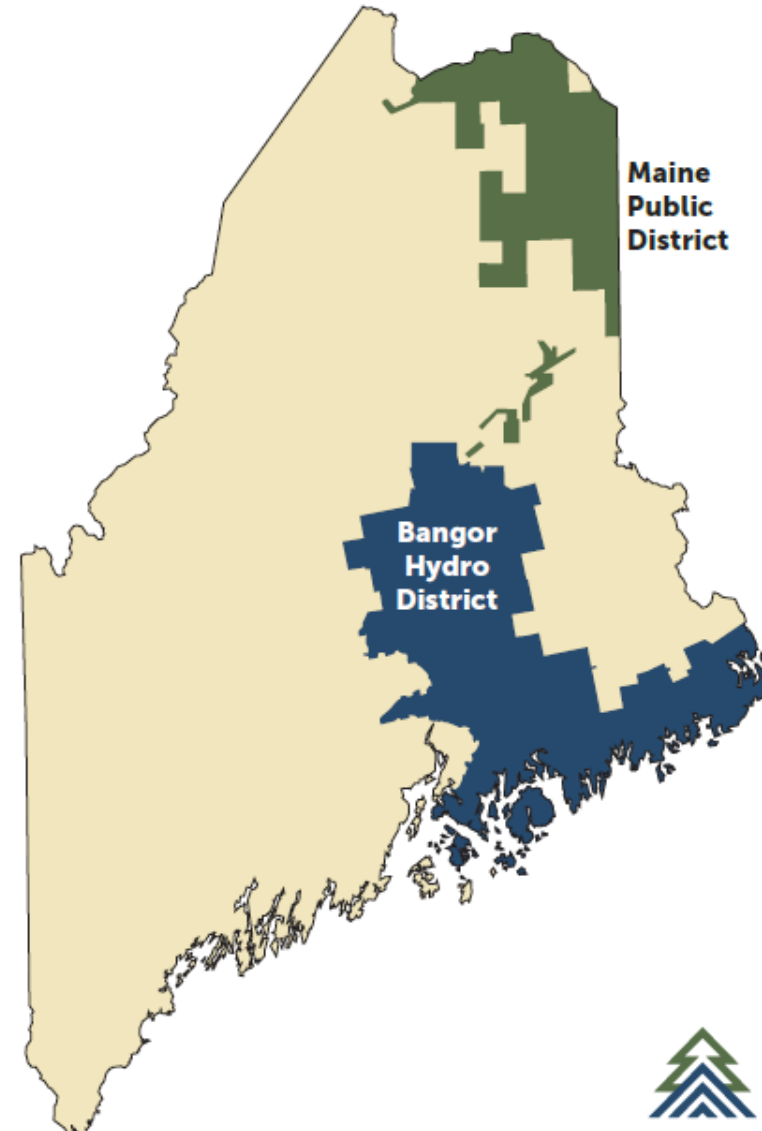


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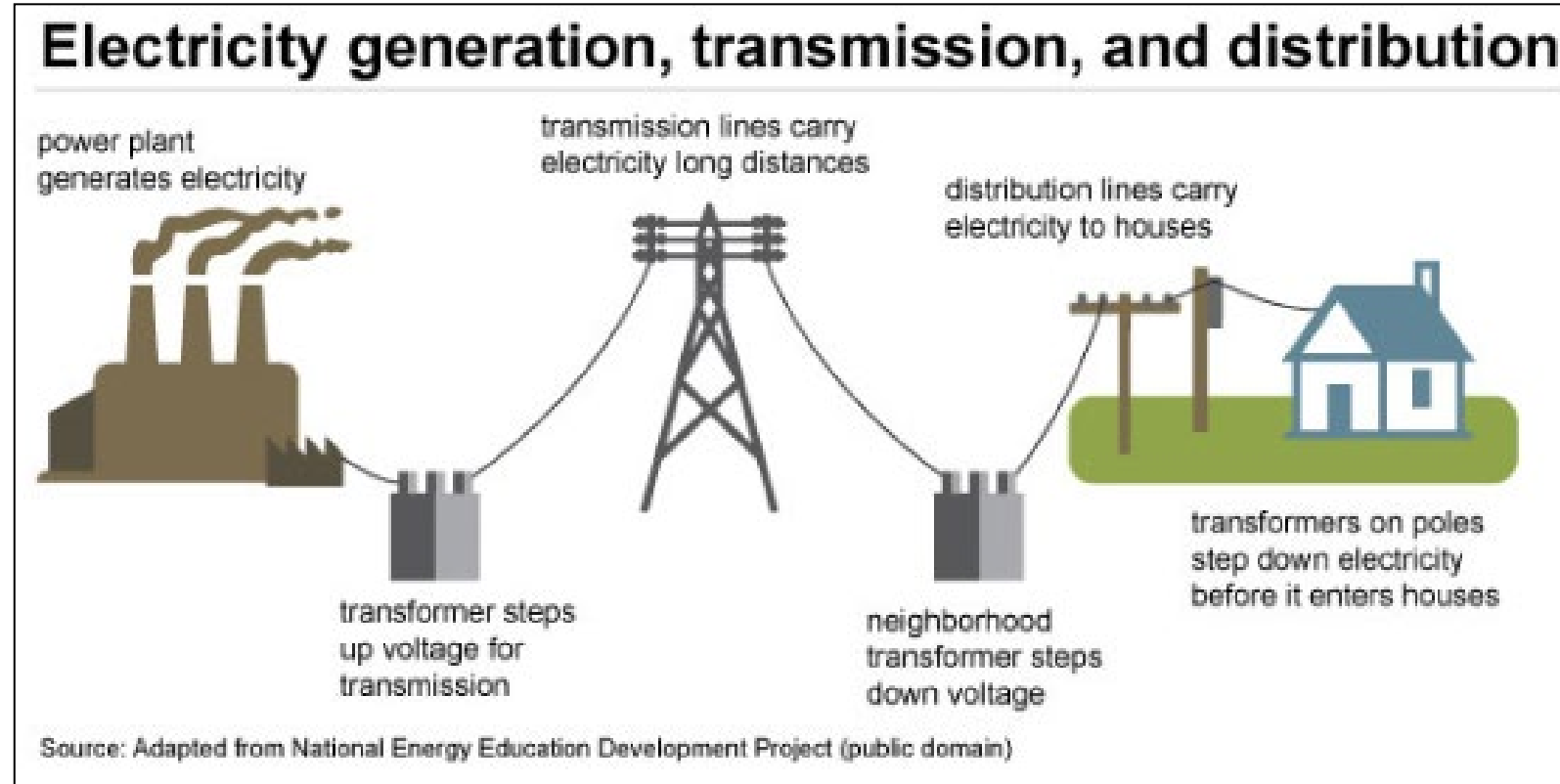
June 21, 2023

Versant Power Service Territory

Service Territory	10,400 sq. miles
Customer Accounts	165,000
Employees	515
Transmission Lines	1,265 miles
Primary Distribution Lines	6,300 miles



Transmission & Distribution



Versant controls Transmission and Distribution costs.

Electric supply and other costs are set by others, but billed by Versant.

Transmission Rates – Basics

- Versant Power is a cost-of-service utility
- Rates are set based on the cost to provide safe and reliable service, based on an established formula
- Customers pay according to their usage of the electric system
- Versant Power is keeping with the plan to spread needed upgrades to the transmission system over 15-20 years in the most cost-effective way to keep the system reliable

Drivers of Changes in 2022 Transmission Rates

Investments in Infrastructure

Projects put into service

- Line 6930 Dow to Maysville Siding Roads
- Line 6904 Transmission Rebuild
- Line 6920 Transmission Rebuild
- Line 69201 Move Right of Way to Roadside
- Line 69053 Transmission Rebuild

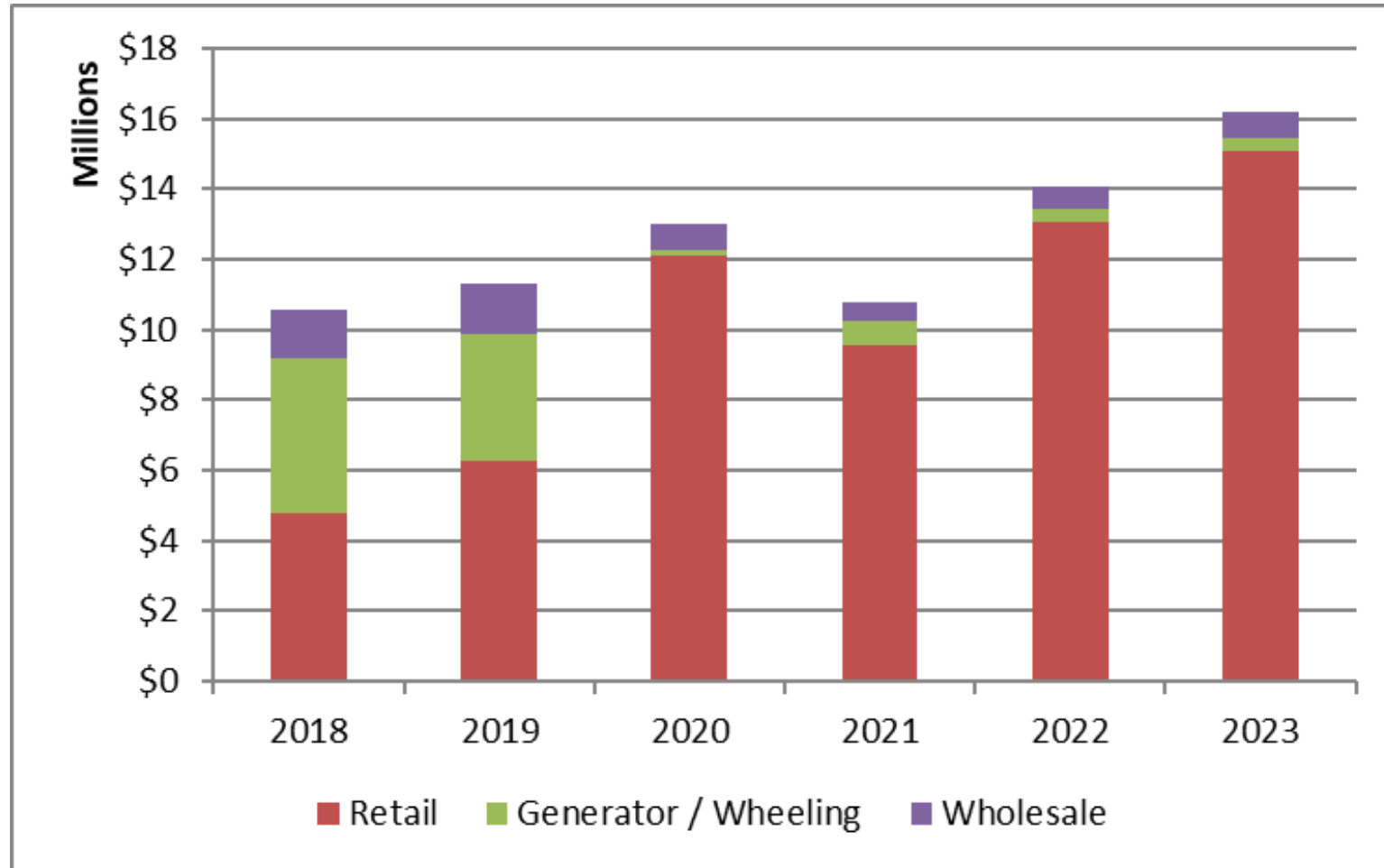
Reliability improvements

Formulaic Method for Transmission Rates

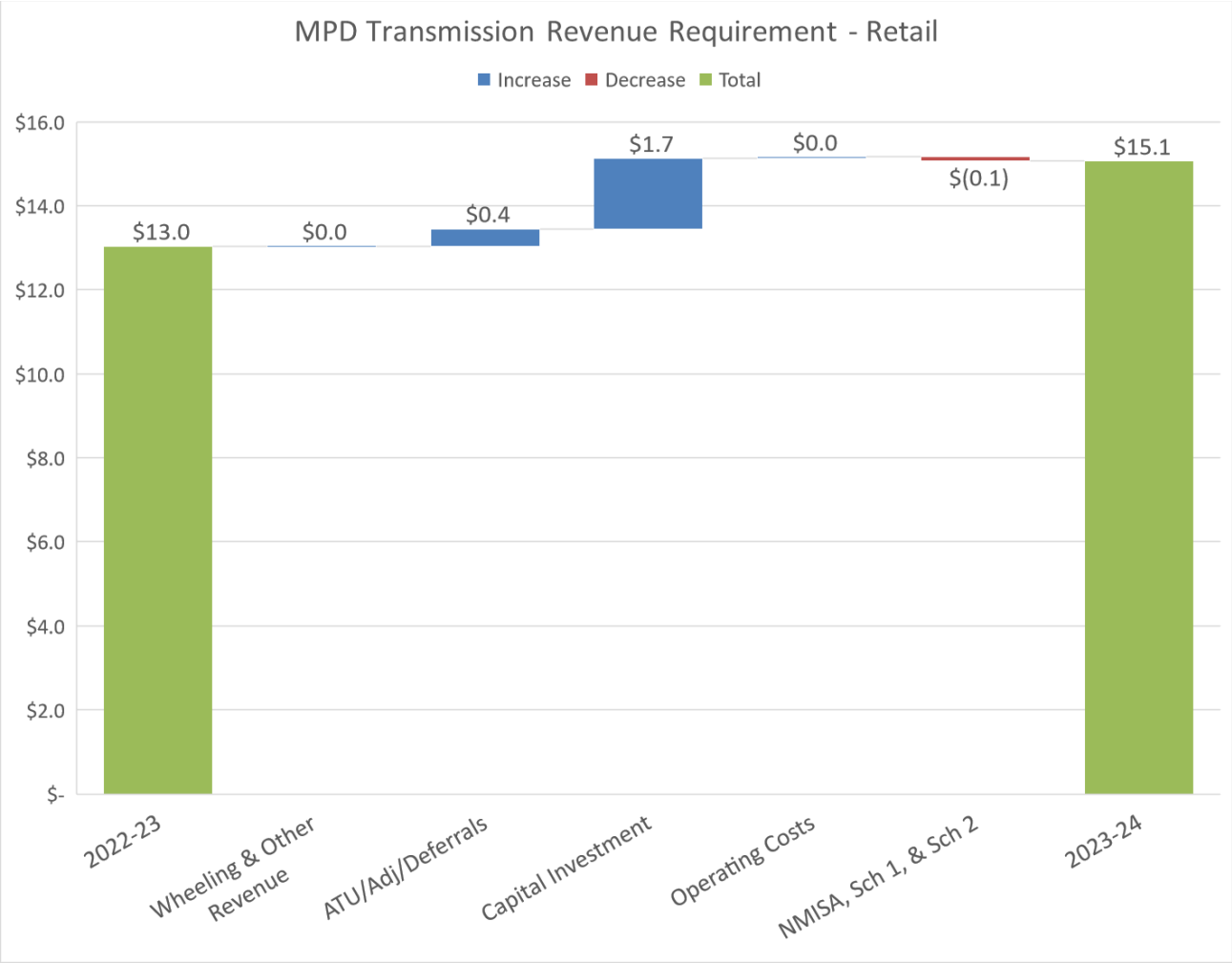
Each year, for rates starting July 1st

- The system peak for each calendar month in the prior year is determined
- The load contribution during that peak hour is calculated for each rate class, and averaged into a percentage for the whole year.
- The directional changes (increasing or decreasing) represent whether that rate-class was using more or less energy than other rate classes during those peak hours

Transmission Revenue Allocation by Segment



Transmission Revenue Requirement - Cost Categories



Cost of Capital Investment is comprised of Interest, Depreciation, Taxes and Return



Transmission Rates Changes on July 1, 2023

- Certain rates are increasing and others are decreasing
 - Result of 12-month coincident peak averages used in formula
- *For a typical residential customer using 500 kilowatt-hours per month:*
 - The Transmission component of their bill go up \$1.88
- Commercial customer impacts will be shown in later slides

MPD Rate Class Designation	July 2023 to June 2024 rate	% Change From Prior Year
Residential (A/A1/AH/AHN)	\$ 0.02604 / kWh	16.9%
General Service (C,D-2,F,SNO)	\$ 0.04247 / kWh	15.7%
Medium Power Service - Primary (EP)	\$ 4.66 / kW	-27.3%
Large Power Service - Primary TOU (E-P-T)	\$ 8.68 / kW	-16.1%
Medium Power Service - Secondary (ES)	\$ 5.61 / kW	-31.3%
Large Power Service - Secondary TOU (E-S-T)	\$ 14.09 / kW	30.9%
Sub-Transmission Power Service (S-T)	\$ 13.81 / kW	32.4%
Transmission Power Service (H-T)	\$ 16.05 / kW	39.6%
Street & Area Lighting (SL, T)	\$ 0.00743 / kWh	-14.1%

Versant Power will work with customers who want an individual analysis

All Rate Changes on July 1, 2023

Residential Customer (500 kWh/mo.)

Category	New Rate	Previous Rate	Explanation
Transmission	\$13.02 / month \$0.026039 / kWh	\$11.14 / month \$0.02227 / kWh	<ul style="list-style-type: none"> Continued investment in transmission infrastructure
Distribution	\$41.16 / month \$0.082325 / kWh	\$36.62 / month \$0.073249 / kWh	<ul style="list-style-type: none"> Investments such as the Advanced Metering System, IT, and Tree Trimming. Represents <i>half</i> of the rate change, with the remainder deferred until January 1, 2024.
Stranded Cost (pass-through)	\$5.47 / month \$0.010945 / kWh	(\$2.44) / month (\$0.004875) / kWh	<ul style="list-style-type: none"> Pass-through of State energy policy costs (Energy contracts and Net Energy Billing) Represents <i>part</i> of the revenue requirement, with the remainder deferred until January 1, 2024
Conservation (pass-through)	\$1.54 / month \$0.00308 / kWh	\$2.28 / month \$0.00455 / kWh	<ul style="list-style-type: none"> Pass-through charge to fund energy efficiency and greenhouse gas reduction programs through Efficiency Maine Trust
TOTAL Delivery: (without supply)	\$61.19 / month \$0.12238 / kWh	\$47.60 / month \$0.0952 / kWh	<ul style="list-style-type: none"> Approximately \$13.59 / month increase \$7.17 are pass-through charges \$0.02718 / kWh increase

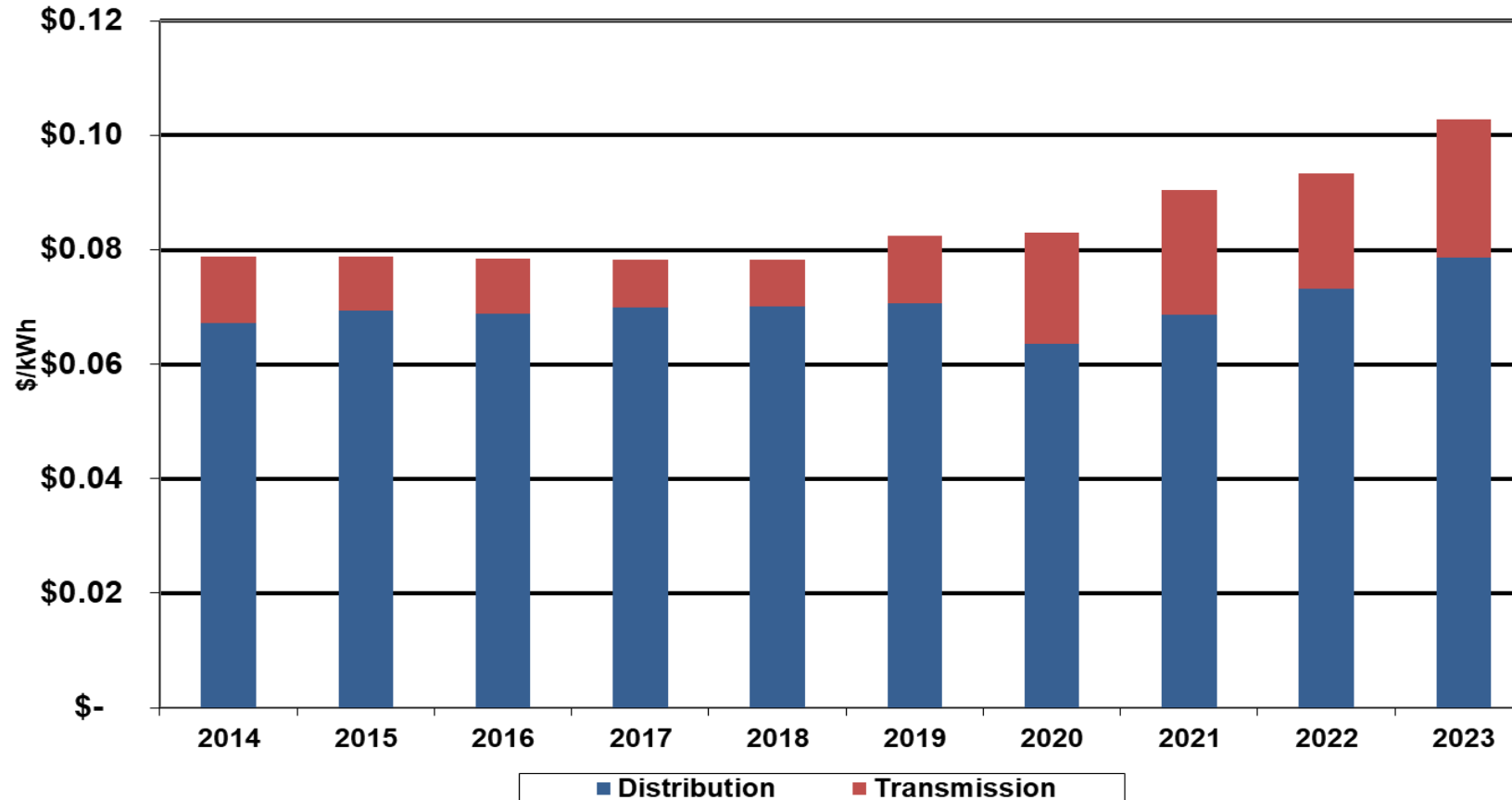
Transmission and All Delivery Rate Impacts: Monthly

Estimates for July 1, 2023 Rate Change

Rate Class	Sample Usage	2023 Transmission Change	2023 Change for All Delivery (including Transmission, Distribution, Stranded Cost, and Conservation)
Residential	500 kWh	\$1.88	\$13.59
General (C)	1,000 kWh	\$5.76	\$28.74
Medium (ES)	50 kW – 250 kW	(\$125) - (\$640)	\$200 – \$990
Medium (EP)	100 kW – 350 kW	(\$175) - (\$610)	\$465 – \$1,580
Large (EP-T)	500 kW – 1,500 kW	(\$830) - (\$2,500)	\$2,520 – \$7,520
Large (ES-T)	500 kW – 750 kW	\$1,660 - \$2,500	\$6,070 – \$9,100
Trans (ST)	1,000 kW – 2,500 kW	\$3,380 - \$8,450	\$10,415 – \$26,000
Trans (HT)	1,000 kW – 2,500 kW	\$4,545 – \$11,370	\$11,235 – \$27,980

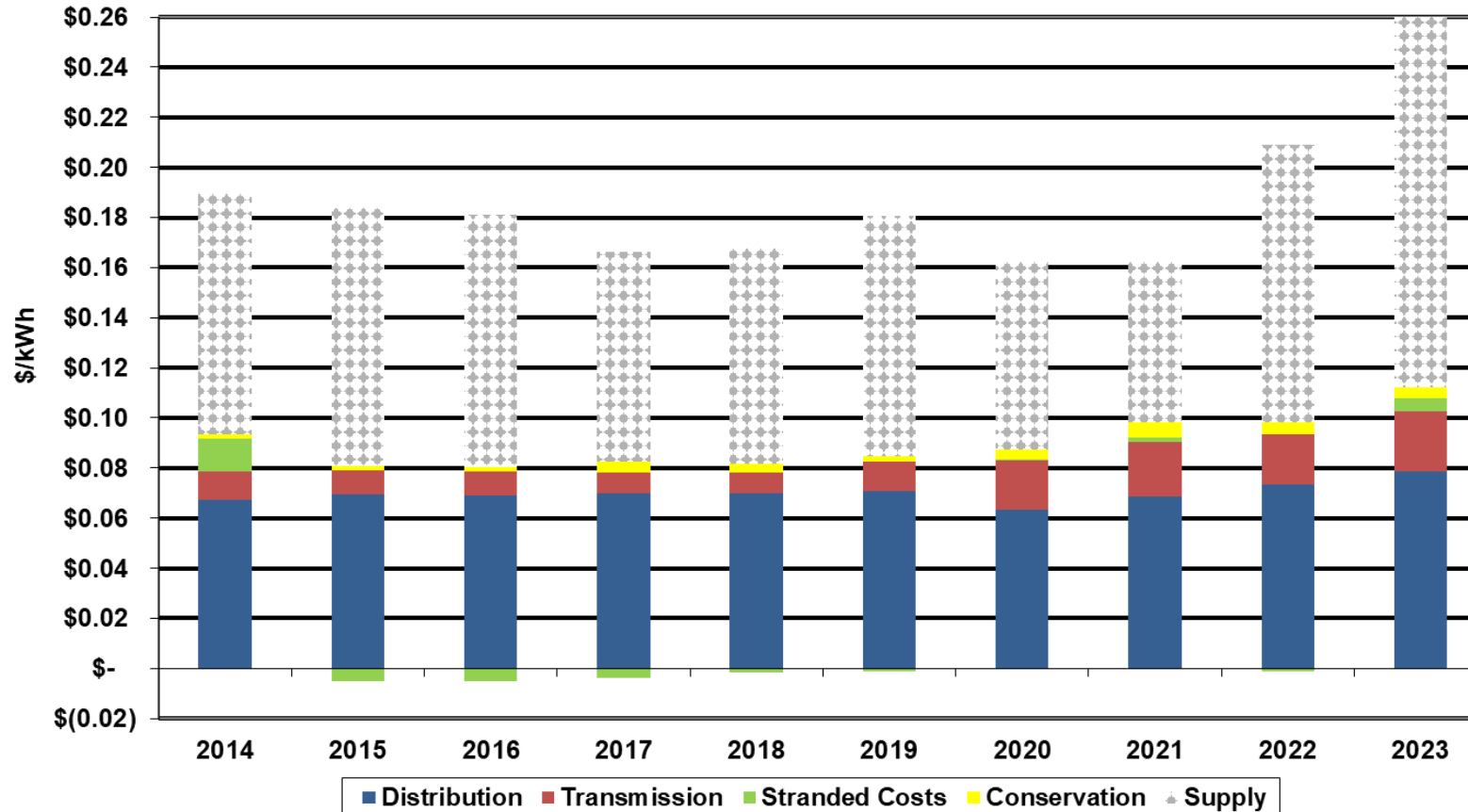
Transmission and Distribution Rates in MPD: 10 Year History

Delivery Rate Components for Basic Residential Service
(amounts expressed in 2022 real dollars)

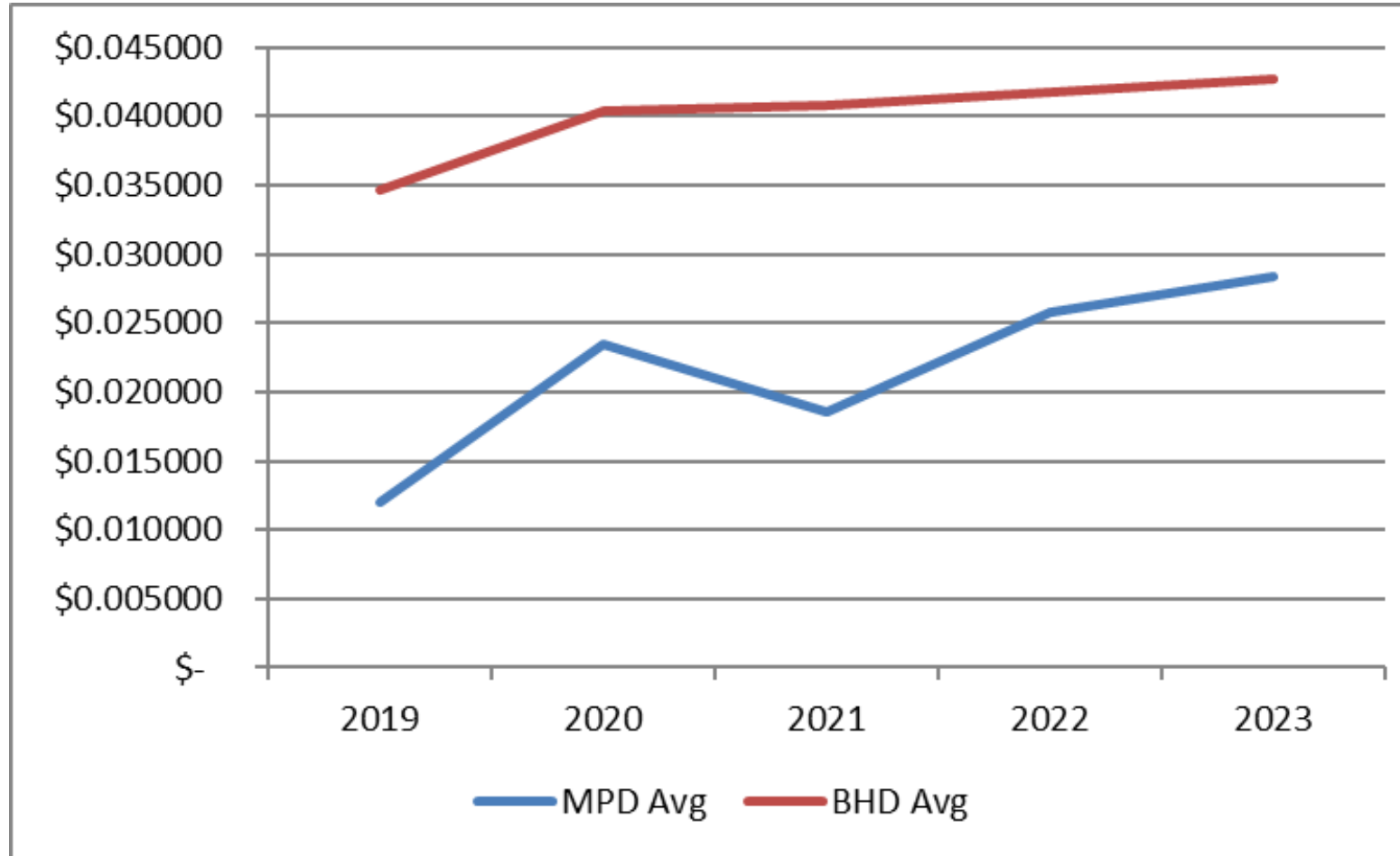


All Rate Changes in MPD: 10 Year History

Rate Components for Basic Residential Service
(amounts expressed in 2022 real dollars)



Transmission Rate Averages (cents/kWh)



Versant Power

- Committed to delivering safe, reliable electricity to your homes and businesses around the clock
- A transmission and distribution utility that delivers electricity, but doesn't generate or supply the electricity
- Working to keep costs stable while investing in an aging system
- Supporting state of Maine's renewable energy goals

Questions & Discussion