



June 24, 2020

Versant Power

2020 Transmission Rates
Maine Public District

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.

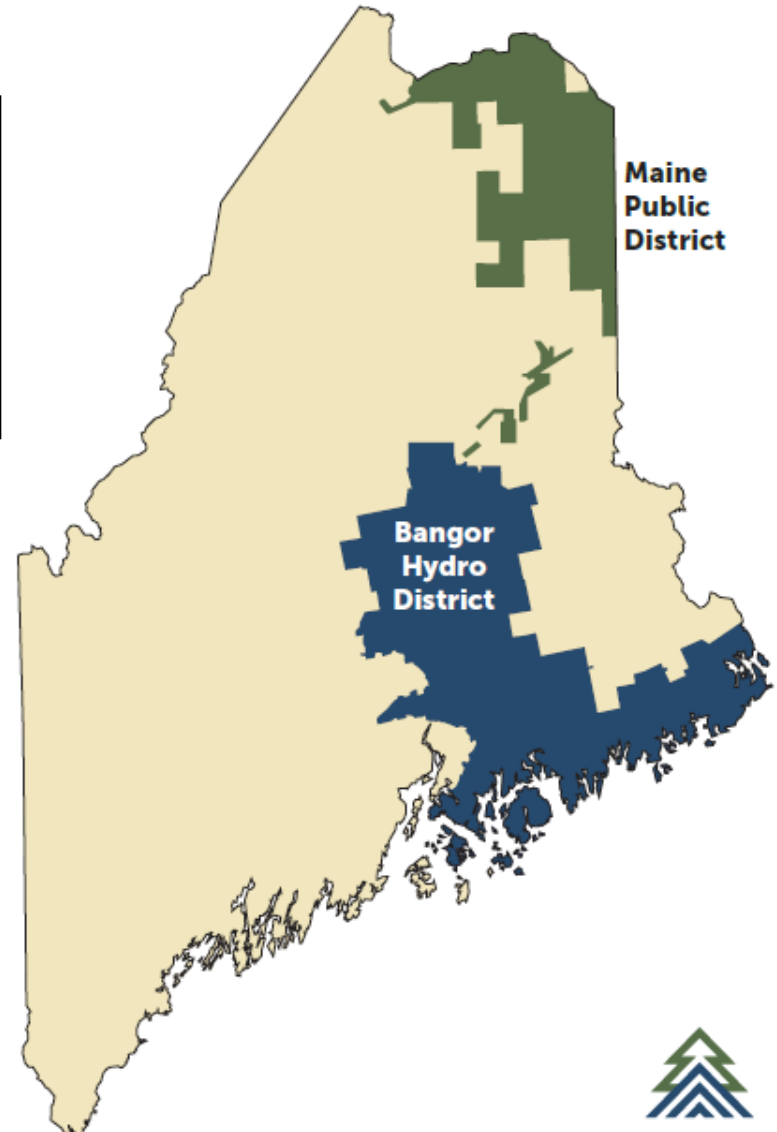
Agenda

- Welcome & introductions (Judy Long)
- Safety message (Gina LeBlanc-Eggert)
- Versant Power & rates overview (Lisa Martin)
- Transmission rates effective July1 (Tim Olesniewicz)
- Discussion and questions (All)

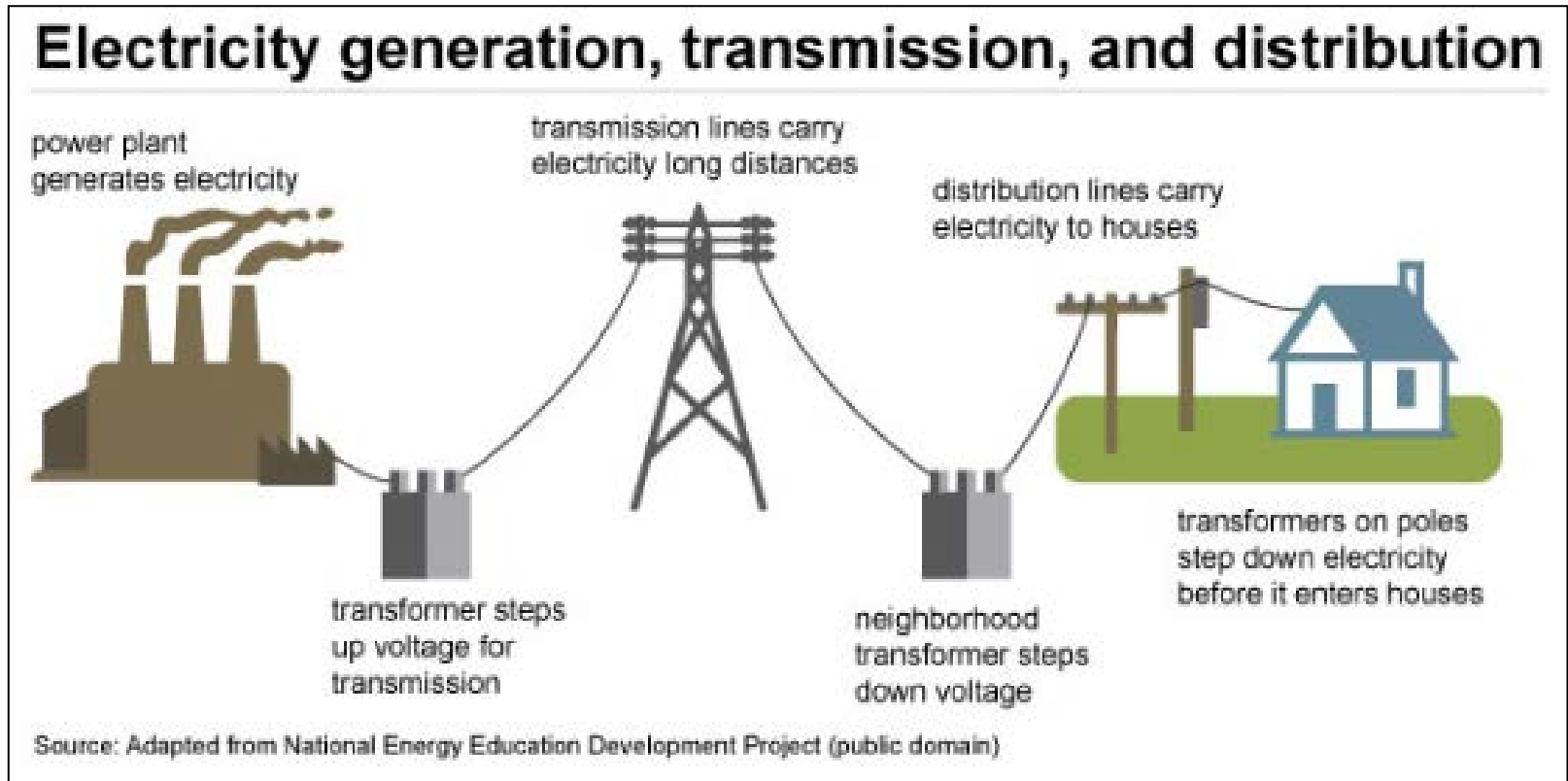
Safety Moment

Versant Power Service Territory

<i>Service Territory</i>	10,400 sq miles
<i>Customers</i>	159,000
<i>Employees</i>	406
<i>Transmission Lines</i>	1,265 miles
<i>Primary Distribution Lines</i>	6,090 miles



Transmission & Distribution



Versant Power delivers electricity
supplied by others

ENMAX & New Ownership

- Versant Power is a subsidiary of ENMAX
 - New name; same team providing service
 - Operating decisions will continue to be made locally
 - Focus is to provide customers with safe, reliable service
- ENMAX acquisition brings new rate relief
 - \$8.1m refund to customers in both districts
 - \$5m relief to low income across the service territory
 - Distribution rates will not increase before October 2021

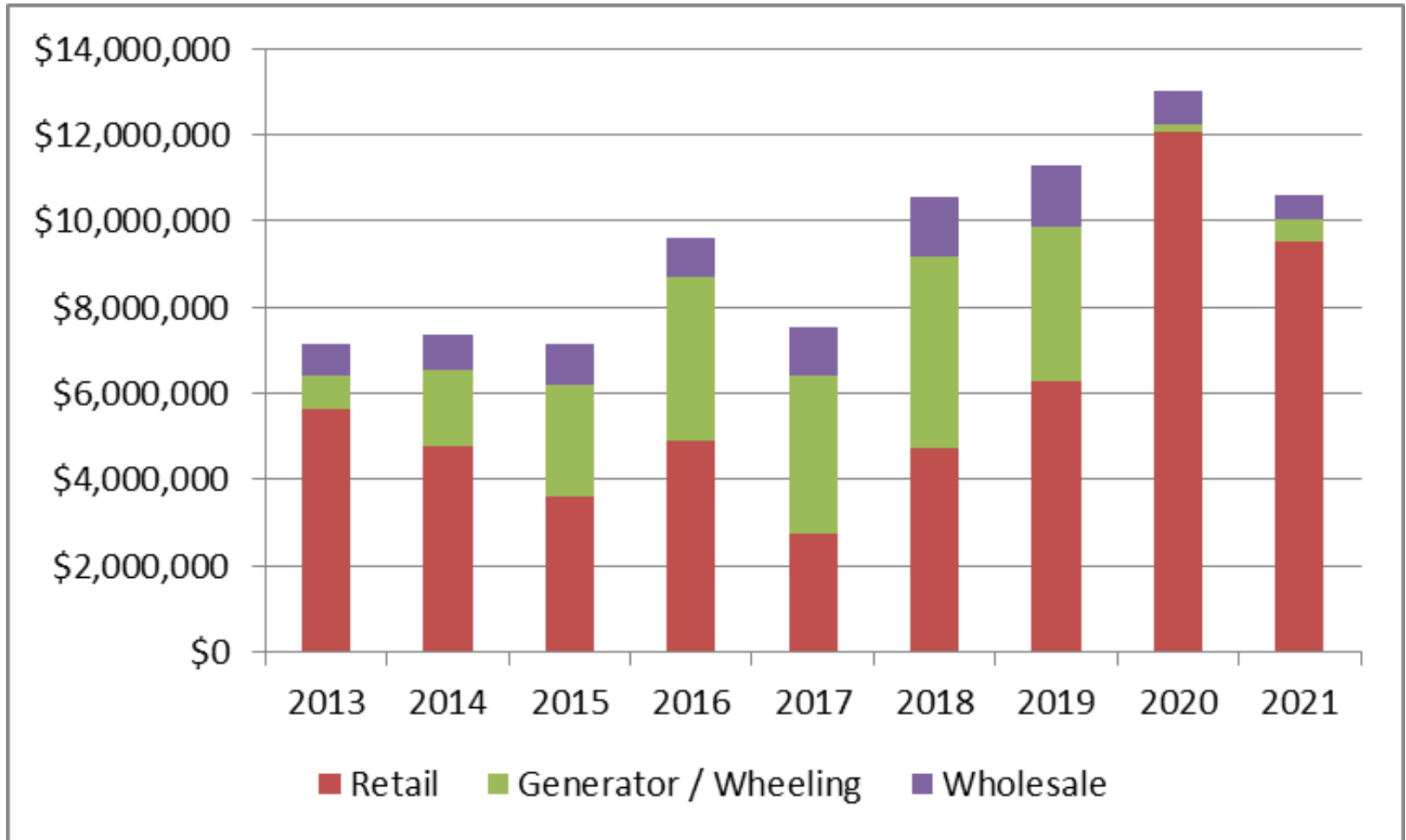
Transmission Rates – Basics

- 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
- Some users have left and are no longer using the system (generators & Houlton Water Company) which has created higher rates for others
- 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

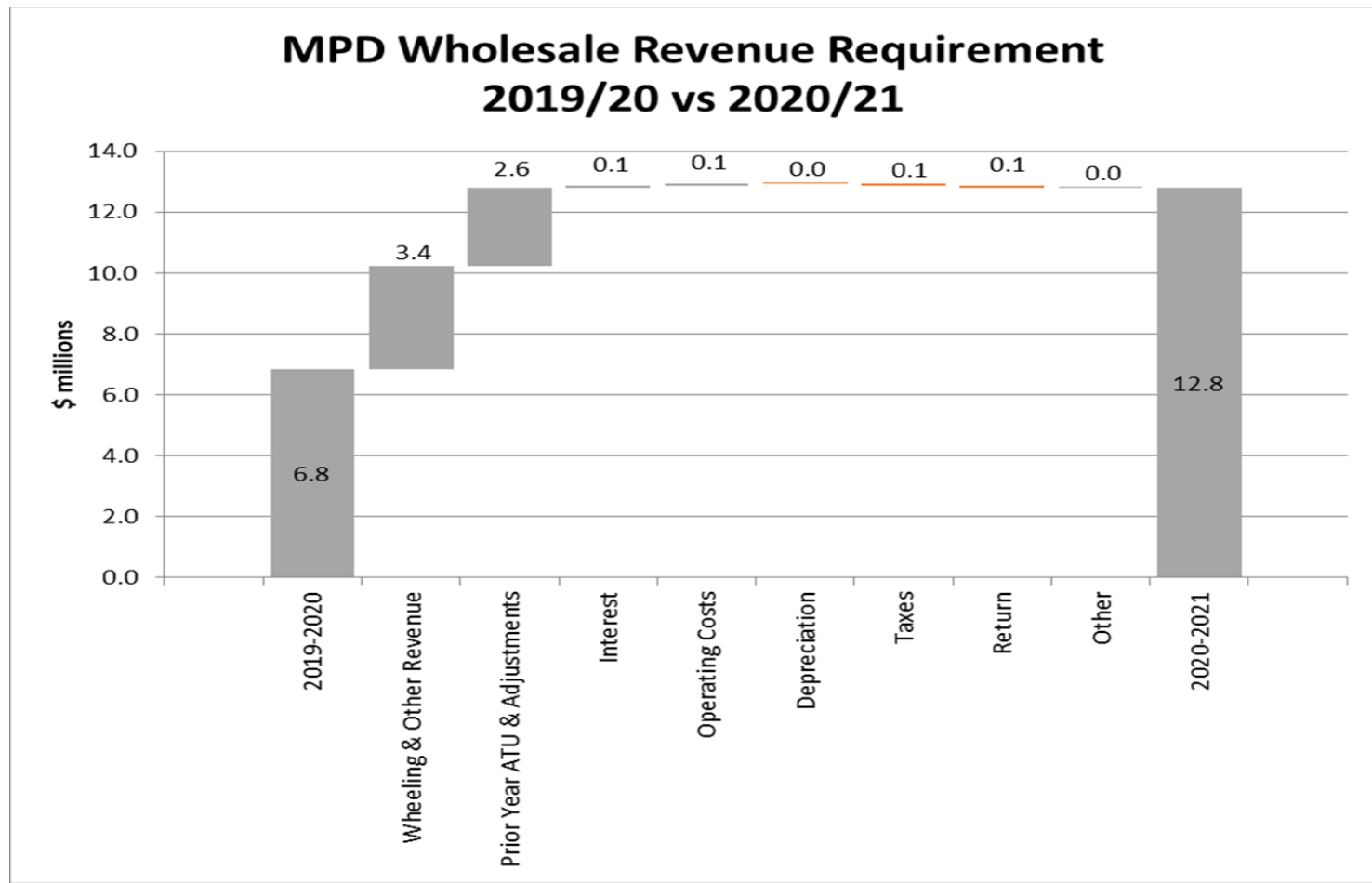
Transmission Rate Change July 1

- On July 1, most customers will see their bills increase for delivery of electricity
- A typical residential customer using 500 kilowatt-hours per month will see their total delivery and supply bill go from about \$71 to \$80 (about \$6 due to transmission)
- Commercial and Industrial rates are also rising (will share some ranges in the slides to follow)
- Versant Power will work offline with any customer who wants an individual analysis

Revenue Contribution by Customer Group



Components of Wholesale Revenue Requirement Change



Annual Costs & Revenue Requirements

	Actual Cost for the Year		
	2017	2018	2019
Investment Return and Associated Income Taxes	4,486,365	4,774,026	4,723,220
Depreciation	1,409,312	1,635,815	1,621,445
Operating Expense	3,374,814	3,234,537	3,534,978
Versant Power Operating Costs	9,270,491	9,644,379	9,879,642
Adjustments	(104,972)	406,184	(452,824)
Annual True Up	1,176,672	1,304,773	3,576,594
Total	10,342,191	11,355,335	13,003,412
	Revenue Requirement for the Transmisison Year		
	2018/2019	2019/2020	2020/2021
Generator Revenue / Wheeling	4,412,007	3,568,910	163,546
Wholesale	1,182,777	1,501,317	759,609
Retail	4,747,407	6,285,108	12,080,257
	10,342,191	11,355,335	13,003,412

Transmission Rate Change - Monthly

July 1, 2020 Transmission Only Rate Change

Customer Class	Sample Usage	2020 Change
Residential	500 kWh	\$5.71
General (C)	1000 kWh	\$13.36
Medium (ES)	50 kW – 250 kW	\$270 - \$1,340
Medium (EP)	100 kW – 350 kW	\$400 - \$1,420
Large (EP-T)	500 kW – 1,500 kW	\$10 - \$30
Large (ES-T)	500 kW – 750 kW	\$3,410 - \$5,110
Trans (ST)	1,000 kW – 2,500 kW	\$3,540 - \$8,860
Trans (HT)	1,000 kW – 2,500 kW	\$6,330 – \$15,840

Delivery Rate Impact - Monthly

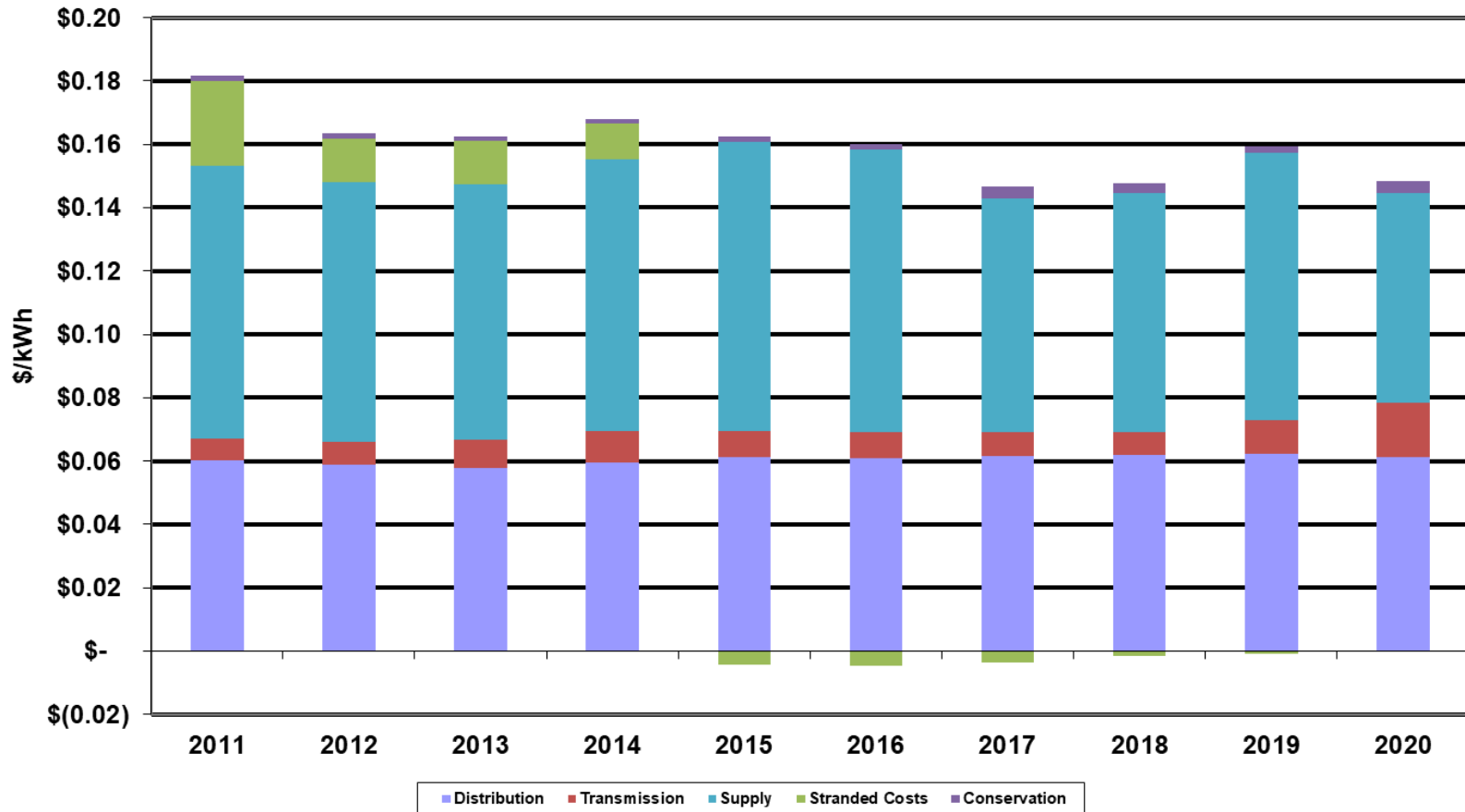
July 1, 2020 Rate Change

For Transmission, Conservation & Stranded Cost

Customer Class	Sample Usage	2020 Change
Residential	500 kWh	\$8.61
General (C)	1000 kWh	\$19
Medium (ES)	50 kW – 250 kW	\$370 – \$1,870
Medium (EP)	100 kW – 350 kW	\$600 - \$2,150
Large (EP-T)	500 kW – 1,500 kW	\$1,120 – \$3,350
Large (ES-T)	500 kW – 750 kW	\$4,850 - \$7,280
Trans (ST)	1,000 kW – 2,500 kW	\$4,260 - \$10,660
Trans (HT)	1,000 kW – 2,500 kW	\$7,060 - \$17,660

MPD Residential Rate History

Versant Power - Maine Public District
 Rate Components for Basic Residential Service
 2011-2020 Calendar Years
 (amounts expressed in 2019 real dollars)

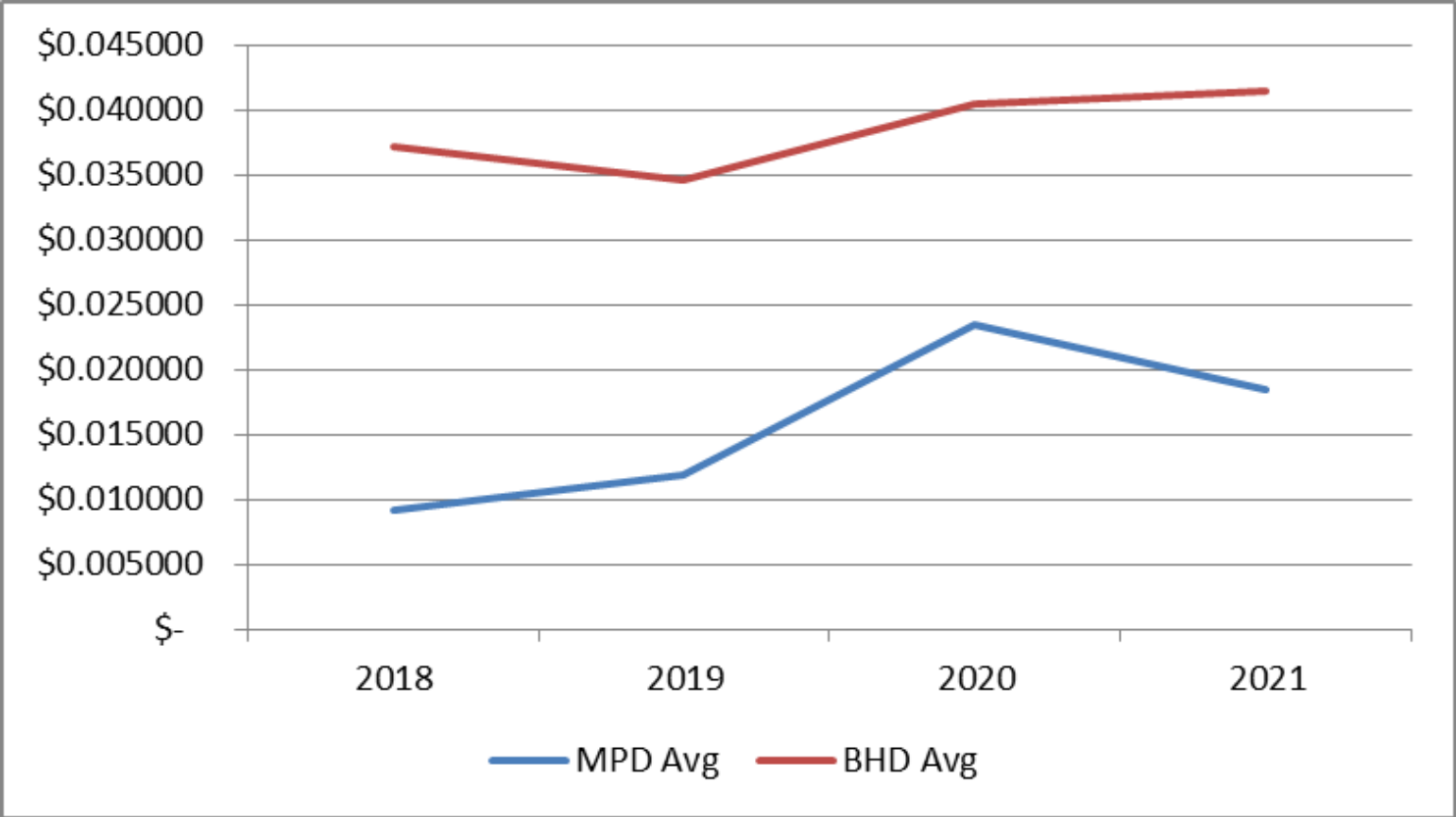


Rate Changes on July 1, 2020

Residential Customer (500 kWh/mo.)

Category	New Rate	Previous Rate	Explanation
Transmission	\$11.57 / month \$0.023149/ kWh	\$5.86 / month \$0.011725 / kWh	<ul style="list-style-type: none"> Expense and Return on Rate Base was flat Lower Wheeling Revenues shifts costs to Wholesale and Retail Customers (\$3.2M) Houlton Water Co departure shifted costs to Retail and Wholesale Customers (\$1.5M)
Stranded Cost	\$0.58 / month \$0.001162 / kWh	(\$0.33) / month (\$0.000651) / kWh	<ul style="list-style-type: none"> Pass-through of legacy costs due deregulation & State energy policy (contracts)
Conservation	\$2.82 / month \$0.00563 / kWh	\$0.83 / month \$0.00166 / kWh	<ul style="list-style-type: none"> Pass-through charge to fund demand side management programs Administered by Efficiency Maine Trust
Distribution	\$31.17 / month \$0.062334 / kWh	\$31.17 / month \$0.062334 / kWh	<ul style="list-style-type: none"> No change
TOTAL delivery without supply:	\$46.14 / month \$0.092 / kWh	\$37.53 / month \$0.075 / kWh	<ul style="list-style-type: none"> Approximately \$8.61 / month increase

Transmission Rate Averages (cents/kWh)



Final Thoughts

VERSANT POWER IS:

- A NEW NAME WITH THE SAME LOCAL TEAM PROVIDING SERVICE
- IMPLEMENTING A LONG TERM PLAN TO PROVIDE CUSTOMERS WITH SAFE, RELIABLE SERVICE, AND SPREAD OUT COSTS
- STRIVES TO KEEP COSTS STABLE; REDUCED UTILIZATION INCREASES RATES FOR REMAINING CUSTOMERS

Questions & Discussion