

**UNITED STATES OF AMERICA
BEFORE THE
FEDERAL REGULATORY COMMISSION**

Versant Power

)

Docket No. ER20-1977-000

**INITIAL RESPONSES OF VERSANT POWER TO THE
FIRST SET OF INFORMATIONAL DATA REQUESTS
OF THE MAINE PUBLIC UTILITIES COMMISSION**

In accordance with the Protocols for Implementing and Reviewing Charges Established by the Attachment J Rate Formulas (the “Protocols”) of the Versant Power Open Access Transmission Tariff for Maine Public District (“MPD OATT”), Versant Power hereby submits these Initial Responses to the First Informational Data Requests tendered by the Maine Public Utilities Commission (“MPUC”) on May 19, 2023 (hereinafter, the “Data Requests”).

Versant Power’s responses are based upon the best available information known to it as of the date of this response. While a good faith attempt has been made to identify all applicable objections, it may later be determined that further objections are relevant and appropriate. Accordingly, Versant Power expressly reserves the right to raise any such additional objections, concerning both general and specific matters, at any time that they may later be identified.

Versant Power objects to the Data Requests to the extent that they seek information not in the possession or control of Versant Power, seek information in a form other than that in which Versant Power’s files and records are maintained, seek information or documents protected by an applicable privilege, doctrine, law, or rule, and/or require Versant Power to undertake new studies or analyses. Versant Power further objects to the Data Requests as unduly burdensome to the extent that they request “any” or “all” materials.

Versant Power provides its attached responses to the Data Requests subject to and without waiver of the foregoing objections.

VERSANT POWER'S RESPONSES TO
DATA/INFORMATION REQUEST NO. 1
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REGARDING 2023 MAINE PUBLIC DISTRICT OATT
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RESPONSES PROVIDED JUNE 12, 2023

QUESTION NO. MPUC-MPD-1-1

Please provide a copy of all data requests submitted by all parties on the Annual Transmission Formula Rate Update filings, along with responses to those data requests. In addition, please provide this information on a continuing basis.

RESPONSE NO. MPUC-MPD-1-1

In accordance with Section V.B.8 of the Protocols for Implementing and Reviewing Charges Established by the Attachment J Formulas, Versant Power has and will continue to post all data responses publicly on its website at the same time they are served on the requesting party (except for any responses that contain confidential information, which will be made available to requesting parties pursuant to an appropriate confidentiality agreement). To date, no other data requests have been received regarding 2023-2024 charges under the MPD OATT Formula Rate.

Response Prepared By: Counsel

List of Attachments: None

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QUESTION NO. MPUC-MPD-1-2

Please identify any errors identified by Maine Public District (“MPD”) since its May 9, 2023, second revision of the informational filing, or any errors identified by Versant Power in its 2022 FERC Form 1 (“2022 FF1”) filing since the April 2023 filing. In addition, please provide this information on a continuing basis.

RESPONSE NO. MPUC-MPD-1-2

See Responses to MPUC-MPD-1-55 & 1-57.

On May 25, 2023, Versant Power refiled its 2022 FERC Form 1 to include three corrections:

1. Included comparative 2021 information on page 320-322 lines 192, 193, and 196. Also see responses to MPUC-MPD-1-45 & 1-46;
2. Updated Page 401b footnote re: MPD Monthly Peaks and Output; and
3. Updated Line 5, column d of Page 227 to indicate Distribution.

Response Prepared By: Tim Olesniewicz, Senior Rates and Regulatory

List of Attachments: None

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QUESTION NO. MPUC-MPD-1-3

Please provide a list of all accounting policy and process changes made by Versant Power in 2022 that impact accounting information used in the development of the wholesale transmission formula rate. For each accounting change, please provide a description of the change and the FERC accounts affected.

RESPONSE NO. MPUC-MPD-1-3

Consistent with the findings in the Company's most recent FERC Audit in Docket No. FA20-9-000, in 2022 Versant Power began calculating Transmission Overhead rates based on the results of a time study conducted in accordance with the recommendations of FERC Staff in that audit. This process change impacts the amounts capitalized to FERC Account 107 and recovered in Accounts 922, 926, 931, and 935.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: None

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QUESTION NO. MPUC-MPD-1-4

Please provide a list of all changes made in the presentation of the financial information in Versant Power's 2022 FERC Form No. 1 compared to the previous year that affect any input into the wholesale transmission formula rate.

RESPONSE NO. MPUC-MPD-1-4

Versant Power did not make any changes in the presentation of its financial information in the 2022 FERC Form No. 1 that affects any input into the MPD OATT wholesale transmission formula rate.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: None

VERSANT POWER'S RESPONSES TO
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QUESTION NO. MPUC-MPD-1-5

Please identify all borrowings from affiliates outstanding during 2022. For each borrowing, provide the date of issuance, date of pay off, and amount outstanding at initiation.

RESPONSE NO. MPUC-MPD-1-5

Versant Power did not have any affiliate borrowings outstanding during 2022.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: None

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QUESTION NO. MPUC-MPD-1-6

In reference to Versant Power's 2022 FF1 page 204-207, line 4, column c, Account 303 – Miscellaneous Intangible Plant, please explain and provide a detailed description in Excel format of the Additions in the amount of \$26,129,830.

RESPONSE NO. MPUC-MPD-1-6

See MPUC-MPD-1-06 Attachment A. In the attachment, Company 1 is Bangor Hydro District and Company 9 is Maine Public District.

Response Prepared By: Erica Hamlin, Project Accountant

List of Attachments: MPUC-MPD-1-06 Attachment A

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QUESTION NO. MPUC-MPD-1-7

Please provide for all transmission plant that was placed in service in MPD in 2022: a description of each project and project number; the in-service date of each project; the purpose of each project; and the costs associated with each project by FERC Account(s).

RESPONSE NO. MPUC-MPD-1-7

See MPUC-MPD-1-07 Attachment A.

Response Prepared By: Erica Hamlin, Project Accountant

List of Attachments: MPUC-MPD-1-07 Attachment A

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QUESTION NO. MPUC-MPD-1-8

Please provide the following related to transmission plant additions:

- a. A list of projected transmission plant additions over the three-year period (2023 – 2025) whose individual costs are expected to equal or exceed \$1 million;
- b. A detailed list of plant additions related to hurricane/storm hardening and resiliency that were placed in-service in 2022; and
- c. A list of projected plant additions for the three-year period (2023 – 2025) related to hurricane/storm hardening and resiliency.

RESPONSE NO. MPUC-MPD-1-8

a. & c. Versant Power objects to these requests as information pertaining to 2023, 2024, and 2025, does not impact the charges under Versant Power's MPD OATT for the 2023-2024 annual update and thus is outside the scope of what is permissible to be asked under Versant Power's MPD OATT Protocols.

b. See MPUC-MPD-1-08 Attachment A.

Response Prepared By: Counsel (Responses A&C)

Sarah Hesseltine, Manager Financial Reporting (Response B)

List of Attachments: MPUC-MPD-1-08 Attachment A

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QUESTION NO. MPUC-MPD-1-9

Please identify any capital leases (i.e., any lease or right to use asset that is capitalized on the balance sheet), and their corresponding amounts included in the formula rate (e.g., General Plant, Transmission Plant).

RESPONSE NO. MPUC-MPD-1-9

Versant Power did not include the value of any capital leases in its calculation of rate base used in 2023-2024 charges under the MPD OATT Formula Rate.

Response Prepared By: Sarah Hesselstine, Manager, Financial Reporting

List of Attachments: None

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QUESTION NO. MPUC-MPD-1-10

Please explain Versant Power's accounting for FERC reporting purposes for interest expense on capitalized leases and provide the accounts used to record the interest expense.

RESPONSE NO. MPUC-MPD-1-10

Versant Power did not have capitalized leases in 2022 and, as such, no interest expense on capitalized leases was recognized in 2022.

Response Prepared By: Sarah Hesseltine, Manager Financial Reporting

List of Attachments: None

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QUESTION NO. MPUC-MPD-1-11

Please provide a workable Excel spreadsheet that shows how Versant Power calculates its AFUDC rate for capitalizing transmission investment, including the ROE used in that calculation and the FERC Accounts to which the AFUDC costs were recorded. In addition, please provide the derivation and the source of the debt cost and ROE used in the AFUDC capital structure.

RESPONSE NO. MPUC-MPD-1-11

Versant Power calculates AFUDC based on the prescribed FERC formula and records AFUDC costs to Subaccounts 107.11, 419.11, and 432.02.

For the 2022 AFUDC rate calculation, Versant Power derived the cost of long-term debt based on interest costs and amortization of issuance costs on outstanding debt as of December 31, 2021. The ROE used for equity was the 7% rate on Versant Power's preferred shares and the 9.6% rate on common equity set forth in the MPD OATT Formula Rate.

Response Prepared By: Sarah Hesseltine, Manager Financial Reporting

List of Attachments: MPUC-MPD-1-11 Attachment A

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QUESTION NO. MPUC-MPD-1-12

Please explain the treatment of affiliate borrowings in the computation of the AFUDC rate, including money pool borrowings.

RESPONSE NO. MPUC-MPD-1-12

Versant Power did not have any affiliate borrowings in 2021 and, as such, affiliate borrowings are not included in the computation of the AFUDC rate for 2022.

Response Prepared By: Sarah Hesseltine, Manager Financial Reporting

List of Attachments: None

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QUESTION NO. MPUC-MPD-1-13

In reference to Versant Power's 2022 FF1 page 204-207, line 48, column c, Account 350 – Land and Land Rights, please explain and provide a detailed description in Excel format of the Additions in the amount of \$2,765,673

RESPONSE NO. MPUC-MPD-1-13

See MPUC-MPD-1-13 Attachment A. In the attachment, Company 1 is Bangor Hydro District and Company 9 is Maine Public District.

Effective May 31, 2023, (i) the \$611,058 recorded for timber mats was reclassified to Account 359 – Roads, and Trails and (ii) the \$109,939 recorded for Ground Work was reclassified to Account 353 – Substation Equipment. Insofar as all three accounts (350, 359, and 353) are Transmission Plant, these reclassifications have no impact on the 2023-2024 charges under the MPD OATT Formula Rate.

Response Prepared By: Erica Hamlin, Project Accountant

List of Attachments: MPUC-MPD-1-13 Attachment A

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QUESTION NO. MPUC-MPD-1-14

In reference to Versant Power's 2022 FF1 page 204-207, line 52, column c, Account 355 – Poles and Fixtures, please explain and provide a detailed description in Excel format of the change in account balance in the amount of \$(14,335,034).

RESPONSE NO. MPUC-MPD-1-14

See MPUC-MPD-1-14 Attachment A. In the attachment, Company 1 is Bangor Hydro District and Company 9 is Maine Public District.

Response Prepared By: Erica Hamlin, Project Accountant

List of Attachments: MPUC-MPD-1-14 Attachment A

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QUESTION NO. MPUC-MPD-1-15

In reference to Versant Power's 2022 FF1 page 204-207, line 52, column d, Account 355 – Poles and Fixtures, please explain and provide a detailed description in Excel format of the Retirements in the amount of \$2,133,771.

RESPONSE NO. MPUC-MPD-1-15

See MPUC-MPD-1-15 Attachment A. In the attachment, Company 1 is Bangor Hydro District and Company 9 is Maine Public District.

Response Prepared By: Erica Hamlin, Project Accountant

List of Attachments: MPUC-MPD-1-15 Attachment A

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QUESTION NO. MPUC-MPD-1-16

In reference to Versant Power's 2022 FF1 page 204-207, line 53, column c, Account 356 – Overhead Conductors and Devices, please provide a detailed description in Excel format of the Additions in the amount of \$10,279,515.

RESPONSE NO. MPUC-MPD-1-16

See MPUC-MPD-1-16 Attachment A. In the attachment, Company 1 is Bangor Hydro District and Company 9 is Maine Public District.

Response Prepared By: Erica Hamlin, Project Accountant

List of Attachments: MPUC-MPD-1-16 Attachment A

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QUESTION NO. MPUC-MPD-1-17

In reference to Versant Power's 2022 FF1 page 204-207, line 88, column c, Account 391 – Office Furniture and Equipment, please provide a detailed description in Excel format of the Additions in the amount of \$2,075,359.

RESPONSE NO. MPUC-MPD-1-17

See MPUC-MPD-1-17 Attachment A. In the attachment, Company 1 is Bangor Hydro District and Company 9 is Maine Public District.

Response Prepared By: Erica Hamlin, Project Accountant

List of Attachments: MPUC-MPD-1-17 Attachment A

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QUESTION NO. MPUC-MPD-1-18

In reference to Versant Power's 2022 FF1 page 204-207, line 89, column c, Account 392 – Transportation Equipment, please provide a detailed description in Excel format of the Additions in the amount of \$2,169,449.

RESPONSE NO. MPUC-MPD-1-18

See MPUC-MPD-1-18 Attachment A. In the attachment, Company 1 is Bangor Hydro District and Company 9 is Maine Public District.

Response Prepared By: Erica Hamlin, Project Accountant

List of Attachments: MPUC-MPD-1-18 Attachment A

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QUESTION NO. MPUC-MPD-1-19

In reference to Versant Power's 2022 FF1 page 204-207, line 89, column d, Account 392 – Transportation Equipment, please provide a detailed description in Excel format of the Retirements in the amount of \$3,053,371.

RESPONSE NO. MPUC-MPD-1-19

See MPUC-MPD-1-19 Attachment A. In the attachment, Company 1 is Bangor Hydro District and Company 9 is Maine Public District.

Response Prepared By: Erica Hamlin, Project Accountant

List of Attachments: MPUC-MPD-1-19 Attachment A

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QUESTION NO. MPUC-MPD-1-20

In reference to Versant Power's 2022 FF1 page 204-207, line 92, column c, Account 395 – Laboratory Equipment, please provide a detailed description in Excel format of the Additions in the amount of \$1,246,236.

RESPONSE NO. MPUC-MPD-1-20

See MPUC-MPD-1-20 Attachment A. In the attachment, Company 1 is Bangor Hydro District and Company 9 is Maine Public District.

Response Prepared By: Erica Hamlin, Project Accountant

List of Attachments: MPUC-MPD-1-20 Attachment A

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QUESTION NO. MPUC-MPD-1-21

In reference to Versant Power's 2022 FF1 page 204-207, line 93, column c, Account 396 – Power Operated Equipment, please provide a detailed description in Excel format of the Additions in the amount of \$1,899,132.

RESPONSE NO. MPUC-MPD-1-21

See MPUC-MPD-1-21 Attachment A. In the attachment, Company 1 is Bangor Hydro District and Company 9 is Maine Public District.

Response Prepared By: Erica Hamlin, Project Accountant

List of Attachments: MPUC-MPD-1-21 Attachment A

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QUESTION NO. MPUC-MPD-1-22

In reference to Versant Power's 2022 FF1 page 204-207, line 93, column d, Account 396 – Power Operated Equipment, please provide a detailed description in Excel format of the Retirements in the amount of \$3,588,211.

RESPONSE NO. MPUC-MPD-1-22

See MPUC-MPD-1-22 Attachment A. In the attachment, Company 1 is Bangor Hydro District and Company 9 is Maine Public District.

Response Prepared By: Erica Hamlin, Project Accountant

List of Attachments: MPUC-MPD-1-22 Attachment A

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QUESTION NO. MPUC-MPD-1-23

In reference to Versant Power's 2022 FF1 page 204-207, line 94, column c, Account 397 – Communication Equipment, please provide a detailed description in Excel format of the Additions in the amount of \$13,476,677.

RESPONSE NO. MPUC-MPD-1-23

See MPUC-MPD-1-23 Attachment A. In the attachment, Company 1 is Bangor Hydro District and Company 9 is Maine Public District.

Response Prepared By: Erica Hamlin, Project Accountant

List of Attachments: MPUC-MPD-1-23 Attachment A

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QUESTION NO. MPUC-MPD-1-24

In reference to Versant Power's 2022 FF1 page 204-207, line 94, column d, Account 397 – Communication Equipment, please provide a detailed description in Excel format of the Retirements in the amount of \$1,661,913

RESPONSE NO. MPUC-MPD-1-24

See MPUC-MPD-1-24 Attachment A. In the attachment, Company 1 is Bangor Hydro District and Company 9 is Maine Public District.

Response Prepared By: Erica Hamlin, Project Accountant

List of Attachments: MPUC-MPD-1-24 Attachment A

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QUESTION NO. MPUC-MPD-1-25

In reference to Versant Power's 2022 FF1 page 204-207, line 95, column c, Account 398 – Miscellaneous Equipment, please provide a detailed description in Excel format of the Additions in the amount of \$(15,493,996).

RESPONSE NO. MPUC-MPD-1-25

See MPUC-MPD-1-25 Attachment A. In the attachment, Company 1 is Bangor Hydro District and Company 9 is Maine Public District.

Effective May 31, 2023, the \$3,778 for a pallet jack was reclassified to Account 394 – General Tools Shop and Garage Equipment. Insofar as both accounts (398 and 394) are Transmission Plant, this reclassification has no impact on the 2023-2024 charges under the MPD OATT Formula Rate.

Response Prepared By: Erica Hamlin, Project Accountant

List of Attachments: MPUC-MPD-1-25 Attachment A

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QUESTION NO. MPUC-MPD-1-26

Please identify any regulatory assets reported in the 2022 FF1 that now or in the future are expected to affect the charges under the Formula Rate as a result of amortization through expenses, if and when approved by the appropriate regulatory body. In your response, please provide the allocation of such amounts to MPD and Bangor Hydro District ("BHD"), and the allocation factor(s) used. If any such expenses were directly assigned to MPD and/or BHD, provide a description of how these amounts were assigned to each district, supplying any relevant workpapers supporting the allocation by district. Also, please provide the date and docket number referencing each FERC approval of the creation of the regulatory asset.

RESPONSE NO. MPUC-MPD-1-26

On January 1, 2022, Versant Power recorded on its books to Account 182.3 two regulatory assets related to accounting adjustments associated with Recommendation No. 6 in the September 16, 2021 Audit Report issued in Docket No. FA20-9-000: one directly assigned to the MPD in the amount of \$8,302,025, and one directly assigned to the BHD in the amount of \$15,622,081.

A request before FERC by Versant Power in Docket No. ER23-1598-000 for ratemaking treatment of the BHD regulatory asset is pending. No request has been made by Versant Power to the Commission for ratemaking treatment of the MPD regulatory asset. Versant Power has not included any costs associated with these regulatory assets in 2023-2024 charges under the MPD OATT Formula Rate.

The amounts of the regulatory assets for the MPD and BHD were determined separately based the amounts of Transmission Plant and General & Intangible Plant directly assigned to the BHD and MPD. *See* MPUC-MPD-1-26 Attachment A CUI//PRIV, an Excel file provided to FERC Audit Staff on February 10, 2022 setting forth, among other things, Versant Power's proposed Journal Entries associated with compliance with Recommendation No. 6 in the 2021 Audit Report.

Response Prepared By: Jennifer Ireland, Controller; Counsel

List of Attachments: MPUC-MPD-1-26 Attachment A CUI//PRIV

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QUESTION NO. MPUC-MPD-1-27

Please identify any impairments recorded in 2022. For each impairment, please provide a description of the asset impaired, the cause of the impairment, and the accounting used to record the impairment.

RESPONSE NO. MPUC-MPD-1-27

Versant Power did not record any impairments in 2021 that would have had an impact on the calculation of 2023-2024 charges under the MPD OATT Formula Rate. The impairments recorded in 2022 were charged to Subaccount 426.05, which is not included as an input to the MPD OATT Formula Rate.

Response Prepared By: Sarah Hesseltine, Manager Financial Reporting

List of Attachments: None

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QUESTION NO. MPUC-MPD-1-28

Please identify any contingent liabilities recognized in 2022.

RESPONSE NO. MPUC-MPD-1-28

Versant Power did not recognize any contingent liabilities in 2022.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: None

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QUESTION NO. MPUC-MPD-1-29

Please identify any expense associated with a lease that is included in the wholesale transmission formula rate other than the actual lease payment made to lessors.

RESPONSE NO. MPUC-MPD-1-29

In the calculation of the 2023-2024 charges under the MPD OATT Formula rate, \$8,224 is included in Account 931, which represents the difference between the monthly lease payment made to the lessor and the straight-lined calculation of the lease payments over the life of the lease.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: None

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QUESTION NO. MPUC-MPD-1-30

Please identify the nature and amount of any one-time expenses that were written-off to any transmission O&M account or A&G account during 2022. In addition, please identify the FERC account numbers where such write-offs were recorded

RESPONSE NO. MPUC-MPD-1-30

In 2022, Versant Power recorded a one-time adjustment to bad debt expense to Account 904 to adjust for differences between its Customer Information System customer receivables balance and the general ledger balance. The amount of this adjustment was \$890,687 and was recorded as a recovery.

In 2021, the Company had recorded \$1,994,801 as bad debt expense to Account 904 as a result of variances between the customer accounts receivable general ledger balance in Versant's financial reporting system (Oracle) and the combined balance of the accounts receivable balance in Versant Power's Customer Information Systems' subledgers (Cayenta (BHD) and AS400 (MPD)). It was originally thought that the difference between the general ledger balance and the sum of the two CISs subledger balances was due to timing differences in entries being posted in AS400 and Oracle. Timing differences would result in the balances being different at any one point in time.

Once the former Maine Public Service customers and their data were migrated from AS400 to Cayenta, the variance between the general ledger balance and the CIS subledger balances continued. Accordingly, in 2021, the Company recorded the additional bad debt expense, which reduced the customer accounts receivable balance in its general ledger to align the general ledger balance with the CIS subledger balances.

In 2022, Versant Power developed additional reporting to allow it to better reconcile its general ledger accounts receivable balance to the CIS subledger. As part of this process, Versant Power discovered that when it issued checks to customers for account deposit refunds, the check was being coded to accounts receivable in the general ledger as opposed to the customer deposit account in the general ledger. As a result of this coding error in the general ledger accounts receivable balance was being over-stated, as well as the customer deposit account being overstated. The \$890,687 adjustment recorded in 2022 reduced bad debt expense to correct for the coding error.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: None

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QUESTION NO. MPUC-MPD-1-31

Please identify any costs, by FERC Account(s) and corresponding amounts, related to Versant Power's CIS system that are included in MPD's revenue requirement.

RESPONSE NO. MPUC-MPD-1-31

Versant Power has \$10,246,679 recorded to FERC Account 303.15 and \$853,890 recorded to Account 111, related to the Company's CIS system included in the MPD revenue requirement. See MPUC-MPD-1-31 Attachment A.

Response Prepared By: Sarah Hesseltine, Manager Financial Reporting

List of Attachments: MPUC-MPD-1-31 Attachment A

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QUESTION NO. MPUC-MPD-1-32

Please identify the FERC Account(s) and corresponding amounts that were recorded in 2022 related to each capital IT project over \$100,000, including a description and purpose of each project.

RESPONSE NO. MPUC-MPD-1-32

See MPUC-MPD-1-32 Attachment A. In the attachment, Company 1 is Bangor Hydro District and Company 9 is Maine Public District.

Response Prepared By: Erica Hamlin, Project Accountant

List of Attachments: MPUC-MPD-1-32 Attachment A

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QUESTION NO. MPUC-MPD-1-33

Please provide a full reconciliation of FERC Account 926 Employee Pension and Benefits including, as applicable, amounts designated to MPD.

RESPONSE NO. MPUC-MPD-1-33

See MPUC-MPD-1-33 Attachment A.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: MPUC-MPD-1-33 Attachment A

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QUESTION NO. MPUC-MPD-1-34

Please identify and quantify any extraordinary expenses that were booked to either the transmission O&M accounts or the A&G accounts during 2022 and identify all the FERC Accounts to which they were recorded.

RESPONSE NO. MPUC-MPD-1-34

Versant Power did not have any extraordinary expenses that were booked to either the transmission O&M accounts or the A&G accounts during 2022.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: None

VERSANT POWER'S RESPONSES TO
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QUESTION NO. MPUC-MPD-1-35

Please identify the following related to each occurrence of a major destructive event (i.e., storm, fire, etc.) in 2022:

- a. The FERC Account(s) and corresponding amounts, for all expenditures both expenses and capital, that were recorded related to restoration costs incurred for repair work.
- b. Any pending insurance claims and the amounts associated with anticipated reimbursements from these claims.
- c. The FERC Account(s) where the reimbursements in (b) above will be recorded.
- d. Verify whether MPD or Versant Power self-insures for property insurance by setting aside reserves. If so, please identify what FERC Account these reserves are held.
- e. For each major storm event, provide the amount included in expense and capital and provide support for the split between transmission and distribution for overheads and other indirect costs.

RESPONSE NO. MPUC-MPD-1-35

- a. *See* MPUC-MPD-1-35 Attachment A.
- b. There are no pending insurance claims related to these storm events.
- c. Not applicable. *See* response to subpart (b).
- d. Versant Power does not self-insure for property insurance.
- e. Versant Power defines a “major storm event” as more than 55,000 customer outages, 400 or more outage tickets, and costs in excess of \$1.8M for restoration and has used this definition when responding to this request. *See* MPUC-MPD-1- 35 Attachment A.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: MPUC-MPD-1-35 Attachment A

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QUESTION NO. MPUC-MPD-1-36

In reference to WP FF1 Reconciliation, line 62, Post-Retirement Benefits Other than Pensions (PBOP), please provide back-up, in working Excel spreadsheet format, of the amount shown for MPD of \$353,731.

RESPONSE NO. MPUC-MPD-1-36

See MPUC-MPD-1-36 Attachment A.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: MPUC-MPD-1-36 Attachment A

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QUESTION NO. MPUC-MPD-1-37

In reference to Versant Power's 2022 FF1 page 227, line 8, Materials and Supplies Transmission Plant, please explain and provide supporting documentation in Excel format for the increase of approximately \$1.7 million, or 61%, from the 2021 balance. Also, please provide a detailed tabulation of every entry booked to this account during 2022

RESPONSE NO. MPUC-MPD-1-37

As a result of how the inputs for Page 227 are calculated, the increase in the 2022 balance compared to 2021 is related to the increased December 31, 2022 balance in FERC Account 154.

This increase was driven by longer lead times experienced in the year, necessitating earlier procurement, along with larger capital programs, and thus, more inventory on hand.

For context, the inputs for Page 227 are calculated as follows:

- All inventory issues and returns for a calendar year are produced by Construction Class and FERC Account. (*See Detail tabs of MPUC-MPD-1-37 Attachment A.*)
- The information is summarized into O&M, Capital, and Other categories based on the FERC Account charged, with each category's pro-rata share of inventory issues and returns calculated. (*See Pivot tables on Detail tabs of MPUC-MPD-1-37 Attachment A.*)
- The pro-rata share of inventory issues and returns are then applied to the December 31 balances for FERC Accounts 154. (*See 227 Calc tabs for MPUC-MPD-1-37 Attachment A.*)
 - Construction is further allocated by taking the Construction total and applying the Construction Class's pro-rata share of total Construction inventory issues and returns.
 - Year-over-year, this calculation yielded similar allocation percentages and it was the increased balances in FERC Account 154 that drove the increase on FERC Form 1 Page 227, line 8.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: MPUC-MPD-1-37 Attachment A
MPUC-MPD-1-37 Attachment B

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QUESTION NO. MPUC-MPD-1-38

In reference to Versant Power's 2022 FF1 page 227, line 16, Materials and Supplies Stores Expense Undistributed, please provide the following:

- a. Copies of the detailed calculation and all supporting documentation of the 2022 FF1, page 227, line 16, column (c) amount of \$539,000 in Stores Expense Undistributed (Account 163);
- b. Copies of the detailed calculation and all supporting documentation of the 2022 FF1, page 227, line 16, column (b) amount of \$260,194 in Stores Expense Undistributed; and
- c. A copy of Versant Power's procedures and/or guidelines for the calculation of the Stores Expense Undistributed for 2022.

RESPONSE NO. MPUC-MPD-1-38

- a, b. Page 227, Line 16 of Versant Power's 2022 FERC Form 1 represents the amount of lobby stock in inventory. A base dollar amount of lobby stock is maintained each month, based on a lobby stock count, the last of which was performed in 2016. This count was the basis for the \$260,194 balance in Stores Expense Undistributed at December 31, 2021. During 2022, the Company reviewed its lobby stock costs and noted the costs had increased significantly due to economic pressures arising from the COVID-19 pandemic. As a result, an analysis was performed to calculate the growth rate in lobby stock allocations between 2016 and 2022. The results of this analysis were used to increase the base dollar amount at December 31, 2022. *See* MPUC-MPD-1-38 Attachment A, MPUC-MPD-1-38 Attachment B, and MPUC-MPD-1-38 Attachment C, for this analysis.
- c. The calculation of the Stores Expense Undistributed for 2022 can be found in MPUC-MPD-1-38 Attachment A. The Company does not have written procedures for this calculation.

Response Prepared By: Sarah Hesseltine, Manager, Financial Reporting

List of Attachments: MPUC-MPD-1-38 Attachment A
MPUC-MPD-1-38 Attachment B
MPUC-MPD-1-38 Attachment C

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QUESTION NO. MPUC-MPD-1-39

In reference to Versant Power's 2022 FF1 page 233, Account 186 – Miscellaneous Deferred Debits, Line 1, New Low Income Assistance Prog. Please provide a detailed description and breakdown of the transactions in Excel format, by description and amount, that total the amount in column (c) "Debits" of \$1,457,907 by FERC Account "debited or offset".

RESPONSE NO. MPUC-MPD-1-39

See MPUC-MPD-1-39 Attachment A.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: MPUC-MPD-1-39 Attachment A

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QUESTION NO. MPUC-MPD-1-40

In reference to Versant Power's 2022 FF1 page 320-323, line 83, Account 560 – Operation Supervision and Engineering, please provide a detailed tabulation in Excel format of every entry booked to this account during 2022.

RESPONSE NO. MPUC-MPD-1-40

Versant Power accumulates its Transmission Operating and Maintenance expenses largely in the Transmission O&M Clearing Account and then allocates costs out to applicable Transmission Operating and Maintenance expense accounts. The Company follows this approach for ease of use by those entering in expense data (particularly line workers). The allocation percentages used are based on historical percentages of labor and non-labor charges to Transmission operating and maintenance expense accounts. While these costs are spread across applicable Transmission Operating and Maintenance expense accounts, the total is included as Transmission Operation and Maintenance expense in calculations under the MPD OATT Formula Rate.

See MPUC-MPD-1-40 for the full charges to the Transmission O&M Clearing Account and the percentage allocation to Account 560.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: MPUC-MPD-1-40 Attachment A

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QUESTION NO. MPUC-MPD-1-41

In reference to Versant Power's 2022 FF1 page 320-323, line 97, Account 566 – Miscellaneous Transmission Expenses, please provide a detailed tabulation in Excel format of every entry booked to this account during 2022.

RESPONSE NO. MPUC-MPD-1-41

Versant Power accumulates its Transmission Operating and Maintenance expenses largely in the Transmission O&M Clearing Account and then allocates costs out to applicable Transmission Operating and Maintenance expense accounts. The Company follows this approach for ease of use by those entering in expense data (particularly line workers). The allocation percentages used are based on historical percentages of labor and non-labor charges to Transmission Operating and Maintenance expense accounts. While these costs are spread across applicable Transmission Operating and Maintenance expense accounts, the total is included as Transmission Operation and Maintenance expense in calculations under the MPD OATT Formula Rate.

See MPUC-MPD-1-41 for the full charges to the Transmission O&M Clearing Account and the percentage allocation in Account 566.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: MPUC-MPD-1-41 Attachment A

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QUESTION NO. MPUC-MPD-1-42

In reference to Versant Power's 2022 FF1 page 320-323, line 182, Account 921 – Office Supplies and Expenses, please provide a detailed tabulation in Excel format of every entry booked to this account during 2022.

RESPONSE NO. MPUC-MPD-1-42

See MPUC-MPD-1-42 Attachment A.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: MPUC-MPD-1-42 Attachment

VERSANT POWER'S RESPONSES TO
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QUESTION NO. MPUC-MPD-1-43

In reference to Versant Power's 2022 FF1 page 320-323, line 184, Account 923 – Outside Services Employed, please provide a detailed tabulation of every entry booked to this account during 2022, including name, long description of cost item and amount in Excel format. Also, please highlight any new contracts or agreements for 2022.

RESPONSE NO. MPUC-MPD-1-43

See MPUC-MPD-1-43 Attachment A, tab 923 for a detailed tabulation of the entries booked to Account 923 during 2022 and 2021. Tab 1-43 summarizes, by vendor, the amounts for 2022 and 2021 to provide a year-over-year comparison for new charges.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: MPUC-MPD-1-43 Attachment A

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QUESTION NO. MPUC-MPD-1-44

In reference to Versant Power's 2022 FF1 page 320-323, line 192, Account 930.2 – Miscellaneous General Expenses, please provide a detailed tabulation in Excel format of every entry booked to this account during 2022.

RESPONSE NO. MPUC-MPD-1-44

See MPUC-MPD-1-44 Attachment A.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: MPC-MPD-1-44 Attachment A

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QUESTION NO. MPUC-MPD-1-45

In reference to Versant Power's 2022 FF1 page 320-323, line 193, Account 931 – Rents, please provide a detailed tabulation in Excel format of every entry booked to this account during 2022. Also, please highlight any new contracts or agreements for 2022, as the amount for 2021 was \$0.

RESPONSE NO. MPUC-MPD-1-45

Versant Power's 2022 FERC Form 1 inadvertently omitted the 2021 comparative balance in Account 931, which can be found in Versant Power's 2021 FERC Form 1 at pages 320-323, line 193 in the amount of \$215,336. *See* MPUC-MPD-1-45 Attachment A for the detailed listing of 2022 entries to Account 931.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: MPUC-MPD-1-45 Attachment A

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QUESTION NO. MPUC-MPD-1-46

In reference to Versant Power's 2022 FF1 page 320-323, line 196, column b, Account 935 – Maintenance of General Plant, please explain and provide supporting documentation in Excel format for the increase of approximately \$1.2 million, or 100%, from the 2021 balance.

RESPONSE NO. MPUC-MPD-1-46

Versant Power's 2022 FERC Form 1 inadvertently omitted the 2021 comparative balance in Account 935 which can be found in Versant Power's 2021 FERC Form 1 at pages 320-323, line 196 in the amount of \$497,581. *See* MPUC-MPD-1-46 Attachment A for the detailed listing of 2022 entries to Account 935.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: MPUC-MPD-1-46 Attachment A

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QUESTION NO. MPUC-MPD-1-47

Please provide a list of any and all NERC Reliability Standard violation penalties paid during 2022. For each NERC Reliability Standard violation, please provide:

- a. The Reliability Standard violated;
- b. The amount of the penalty;
- c. The FERC account(s) where such penalties were recorded; and
- d. The nature of the Reliability Standard violation that gave rise to the penalty.

To the extent that the Regional Entity aggregated violations into a single penalty, please instead state the Reliability Standards violated, the total penalty amount, the FERC account(s) where such penalties were recorded, and the nature of the violations that gave rise to the penalty.

RESPONSE NO. MPUC-MPD-1-47

Versant Power did not have any NERC Reliability Standard violation penalties in 2022.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: None

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QUESTION NO. MPUC-MPD-1-48

Please identify all credit facilities outstanding during 2022. For each credit facility, provide the amount of upfront and commitment fees recorded to expense in 2022 and the offsetting FERC account(s) charged, and identify any portion of the credit facility required to comply with provisions of specific a debt agreement. Also, explain the treatment of the fees in the determination of cost of debt for computing the AFUDC rate.

RESPONSE NO. MPUC-MPD-1-48

Versant Power had no borrowings on its credit facility in 2022. Total commitment fees in the amount of \$136,650 were recorded to Account 431 in 2022. The commitment fees are not included in the calculation of AFUDC rates.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: None

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QUESTION NO. MPUC-MPD-1-49

Please provide, and explain the need for, any amended Federal income tax returns filed during 2022 that impact the income tax positions or excess and deficient ADIT balances for MPD. The explanation should identify the specific items of income and deductions changed, the amount by which the items changed, the reason for the income tax amendment, the tax years being amended, and book accounting journal entries reflecting the amendments to the tax return.

RESPONSE NO. MPUC-MPD-1-49

No such filings occurred in 2022.

Response Prepared By: David Davoren, Tax Controller

List of Attachments: None

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QUESTION NO. MPUC-MPD-1-50

Please identify any and all expenditures for lobbying and other civic, political, and related activities incurred during 2022 and included in MPD's formula rate update. This identification should include, but not be limited to:

- a. Identification of the organization for which the expenditure was made;
- b. Identification of each amount during 2022;
- c. Identification of the FERC Account where the donation was recorded;
- d. Identification of all related expenditures incurred in 2022 that would not have been incurred but for the expenditure for civic, political, and lobbying activities, including the details on these expenditures requested in items a. through c. above; and
- e. If there were no lobbying and other civic, political, and related activities expenditures incurred during 2022 that have been included in MPD's formula rate updates, then please identify the FERC Account(s) where such expenses were booked and their associated amounts.

RESPONSE NO. MPUC-MPD-1-50

There are no expenditures for lobbying, regulatory affairs, and other civic, political and related activities incurred in 2022 and included in 2023-2024 charges under the MPD OATT Formula Rate. Such expenses are recorded to Account 426, which is not included as an input to the MPD OATT Formula Rate. Versant Power recorded \$512,607 to Account 426.14 in 2022. *See* MPUC-MPD-1-50 Attachment A.

Response Prepared By: Jennifer Ireland, Controller

List of Attachments: MPUC-MPD-1-50 Attachment A

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QUESTION NO. MPUC-MPD-1-51

Please explain whether any generation facilities were connected to or disconnected from Versant's system during the study period; and if so, please describe these changes.

RESPONSE NO. MPUC-MPD-1-51

During 2022, there was one 300 kW solar PV site connected to Versant Power's transmission system. The only other interconnections were various small, Level 1, solar PV generation projects.

Response Prepared By: David Norman, PE, Mgr., Reg. Support

List of Attachments: None

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QUESTION NO. MPUC-MPD-1-52

Please explain whether any new generation assets have been connected to Versant's transmission system during CY 2022; and if so, please describe the location (substation name or line segment), MW injected, and prime mover of such interconnections.

RESPONSE NO. MPUC-MPD-1-52

There were no new generation assets interconnected to the MPD transmission system in 2022.

Response Prepared By: Dave Norman, PE; Mgr. Reg. Support

List of Attachments: None

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QUESTION NO. MPUC-MPD-1-53

Please explain whether Versant has added any transmission assets during the study period; and if so, please describe these changes including the type of added equipment, location, and voltage.

RESPONSE NO. MPUC-MPD-1-53

No new transmission assets were added to the MPD system during 2022.

Response Prepared By: Dave Norman, PE, Mgr. Reg. Support

List of Attachments: None

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QUESTION NO. MPUC-MPD-1-54

In reference to Exhibit 4, please provide an explanation and supporting documentation for the change in Excel Cells E13:I13, E26:I26, and E27:I27, Transmission Related General Plant, Transmission Plant Accumulated Depreciation (neg.), and General Plant Accumulated Depreciation (neg.), respectively, from the May 4, 2023, first revised filing to the May 9, 2023, second revised filing.

RESPONSE NO. MPUC-MPD-1-54

The changes in Exhibit 4, Excel Cells E13:I13, E26:I26, and E27:I27 in the second Revised filing on May 9, 2023 as compared to the first Revised filing on May 4, 2023, reflect the results of the FERC Audit adjustments per FERC Docket FA20-9-000 that were inadvertently omitted from the earlier filings.

Response Prepared By: Lloyd J. Maynard, Jr., Rates and Regulatory Analyst

List of Attachments: None

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QUESTION NO. MPUC-MPD-1-55

In reference to Exhibit 4, Excel Cells D41:P41, Deficient/(Excess) Deferred Income Tax Assets/(Liabilities), please explain the reasoning for the removal of the formulas and replacing them with static numbers in these cells, while the Reference in Excel Column Y states "WP DTA/(L) Amortization Expense and Balance, 13b:25b".

RESPONSE NO. MPUC-MPD-1-55

The formulas in Exhibit 4, Excel Cells D41:P41 were inadvertently hardcoded in preparing the documents for filing. The formulas should be in place as stated. The values as reported in Exhibit 4, however, correctly present those from WP DTA/(L) Amortization Expense and Balance at 13b:25b.

Response Prepared By: Lloyd J. Maynard, Jr., Rates and Regulatory Analyst

List of Attachments: None

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RESPONSES PROVIDED JUNE 12, 2023

QUESTION NO. MPUC-MPD-1-56

In reference to Exhibit 4, please provide an explanation and supporting documentation for the change in Excel Cells E13:I13, E26:I26, and E27:I27, Transmission Related General Plant, Transmission Plant Accumulated Depreciation (neg.), and General Plant Accumulated Depreciation (neg.), respectively, from the May 4, 2023, first revised filing to the May 9, 2023, second revised filing.

RESPONSE NO. MPUC-MPD-1-56

The changes in Exhibit 4, Excel Cells E13:I13, E26:I26, and E27:I27 in the second Revised filing on May 9, 2023 as compared to the first Revised filing on May 4, 2023, reflect the results of the FERC Audit adjustments per FERC Docket FA20-9-000 that were inadvertently omitted from the earlier filings.

Response Prepared By: Lloyd J. Maynard, Jr., Rates and Regulatory Analyst

List of Attachments: None

VERSANT POWER'S RESPONSES TO
DATA/INFORMATION REQUEST NO. 1
OF THE MAINE PUBLIC UTILITIES COMMISSION
REGARDING 2023 MAINE PUBLIC DISTRICT OATT
FERC DOCKET NO. ER20-1977-000

RESPONSES PROVIDED JUNE 12, 2023

QUESTION NO. MPUC-MPD-1-57

In reference to Exhibit 4, Excel Cells E28:P28, Accum. Provision for Amortization of Other Utility Plant (neg.), please update the 'WP Transaction Costs' portion of the calculation to link to 'WP Transaction Costs' Excel Cells E26:E37.

RESPONSE NO. MPUC-MPD-1-57

The formula in Exhibit 4, Excel Cells E28:P28, Accum. Provision for Amortization of Other Utility Plant (neg.), should link to 'WP Transaction Costs' Excel Cells E26:E37 as stated. Correcting the formula linkage does not change the resulting values in Exhibit 4.

Response Prepared By: Lloyd J. Maynard, Jr., Rates and Regulatory Analyst

List of Attachments: None