

EASTERN MAINE ELECTRIC COOPERATIVE,  
VAN BUREN LIGHT & POWER,  
AND  
THE MAINE OFFICE OF THE PUBLIC ADVOCATE  
(collectively, MAINE CUSTOMER GROUP (“MCG”))

TO

VERSANT POWER, MAINE PUBLIC DISTRICT (“MPD”)

Docket No. ER20-1977  
Data/Information Request No. 1

May 24, 2021

Reference: Unless stated otherwise, all the references are to 2020-2021 Actual Charges and Versant Power’s FERC Form 1 for the Year 2020 ("Form 1"). If a response contains a spreadsheet, a Table or any calculations, please provide the file in Excel Format.

- MCG 1-1** Please provide copies of all the written/verbal data requests submitted by FERC Staff and all the parties and MPD's responses thereto.
- MCG 1-2** Has there been any audit of MPD by FERC or any other regulatory agency since January 1, 2019? If yes, please provide details.
- MCG 1-3** Did MPD include any of the following costs/expenses in the Annual Transmission Revenue Requirement ("ATRR") included in the 2020 Update? If yes, please provide the following details:
- i. Penalties, fines, etc. by U.S. Internal Revenue Service, U.S. Environmental Protection Agency, the U.S. Department of Transportation or any other local, state and federal government agencies;
  - ii. Disputed amounts (in excess of \$100,000) with Contractors;
  - iii. Amounts exceeding the Contract amount by \$50,000 in the Contracts with the total original contracted amount exceeding \$100,000;
  - iv. Derivative trading;
  - v. Power Sales and trading; and
  - vi. Gas and other non-electric business related costs.

**MCG 1-4**

- (a) Please indicate whether MPD included any acquisition premium in its Balance Sheet and/or ATRR. If yes, please provide the nature of the acquisition premium/goodwill amount and the Account No. to which the amount was booked.
- (b) Has MPD booked the cost of any Transmission and General & Intangible Plant which exceeds its net book value? If yes, please provide the nature of the facility, the amount exceeding net book value and the account number it is booked to.
- (c) Please refer to Page 123.1 of Notes to Financial Statements. Note 2 states, "GAPP presentation of goodwill is within other non-current assets. FERC presentation of Goodwill is within utility plant." Please explain this Note. Also, please provide the reference to the FERC Uniform Systems of Accounts ("USoA") which allows Goodwill to be booked to Utility Plant Account.

**MCG 1-5**

Has MPD included any costs of abandoned plant and plant not providing any service currently? If yes, please provide the amounts.

**MCG 1-6**

Has MPD included any cost of generator interconnect as a part of transmission plant? If yes, please provide the amount, nature of such facility and the reasons for such inclusion.

**MCG 1-7**

- (a) Does MPD have any facilities funded with Contributions in Aid of Construction ("CIAC")? If yes, how are the costs of such facilities treated in computing the Rate Base.
- (b) If the cost of CIAC facilities is included in the Rate Base, please provide the following information:
  - i. Nature and amounts of such facilities;
  - ii. Reference to its inclusion in Attachment H-1;
  - iii. ADIT associated with such CIAC and Account No. to which these are booked; and
  - iv. Does Versant's gross up for income taxes the CIAC amounts it receives from Customers? If yes, please indicate to which account the gross-up amount is booked.

**MCG 1-8**

Is there any long-term debt from the Parent Company or any affiliate? If yes, please provide the amount and percent interest rate charged.

- MCG 1-9** Did MPD allocate any legal and other costs related to power acquisition booked as A&G or any other expenses which is allocated to transmission service? If yes, please provide the details.
- MCG 1-10** Page 206 of Form 1, Line 58 shows that \$21.46 million of Transmission Plant was added during 2020. Please provide the following information for transmission facilities costing \$1 million or more:
- i. A copy of the *original* work orders describing the nature and purpose of the facility and showing the start date and estimated costs of such facilities and prepared before the construction was started;
  - ii. Actual construction cost and completion dates;
  - iii. The costs included in the estimated rates based on the Year 2020; and
  - iv. While Page 206 of Form 1 shows an addition of transmission plant of \$21.46 million, Page 425 of Form 1 indicates no transmission lines added during 2020—please reconcile the difference in these two pages of Form.
- MCG 1-11** Please refer to Page 426 of Form 1. All substations, except Orrington, Maine Transformer T2 Substation and Ellsworth Falls, Maine Substation, listed as “Transmission” have secondary voltage less than 69 KV.
- i. Did MPD include the entire cost of these transformers as transmission plant?
  - ii. If the response to Part (i) above is no, please provide the total cost, cost allocated to transmission; and the details of the allocation.
  - iii. If yes, please explain the reasons for not allocating any cost to Distribution. Also, provide the total costs and loads served at the Primary and Secondary levels.
- MCG 1-12** Page 204 of Form 1 shows that during 2020, MPD added \$3.4 million of Intangible Plant. Please provide the following information related to the Intangible Plant addition:
- i. List of facilities costing more than \$500,000;
  - ii. Detailed description of the facilities listed in Part (i) above;
  - iii. A copy of *original* work order indicating the originally estimated cost and completion date;

- iv. Intangible Plant allocated from Parent Company and Affiliates in 2019 and 2020; and
- v. Actual completed cost and completion date.

**MCG 1-13** Please refer to Page 321 of Form 1. Please explain the reasons for the increase in Account 571, Maintenance of Overhead Line Expenses from \$1.58 million in 2019 to \$2.31 million in 2020.

**MCG 1-14** Please refer to Exhibit 4, Line 32, which shows the Year beginning M&S balance of \$1,301,100 and Year-end balance of \$2,018,418. Page 227, Line 8 of Form 1 shows the same Year beginning balance of \$1,301,100; however, the Year-end balance is equal to \$12,827. Please reconcile the difference in the Year-end balances.

**MCG 1-15** Please provide the amount booked, if any stranded deferred income taxes caused by the federal Tax Cuts and Jobs Act (“TCJA”) or otherwise and/or any other deferred tax amount to Accounts 219, 439 or any other account.

**MCG 1-16** Please refer to Exhibit 4, Line 29. Please provide the details of the Prepayments.

**MCG 1-17** Please refer to Exhibit 8. Do the loads shown here include losses or are these load at the meters?

**MCG 1-18** The TCJA lists the following limitation on a business entity on the amounts allowed as deduction in computing income taxes. Please provide the below listed amounts in excess of that allowed under the TCJA included as costs and expenses during 2020.

a. Employee Related Deductions

- i. No deductions for entertainment, amusement, recreation, use of a facility or property by employees. (Section 13304)
- ii. Limits food/meals deductions to 50% of the amount spent near the business location. (Section 13304)
- iii. No deduction for employee’s transportation for personal use and commuting expenses except commuting by bicycles. (Section 13304)
- iv. Limits the expenses for paid family and medical leave based on the wages. Also limits sick leave to 12 weeks per taxable year. (Section 13403)

b. Other Deductions

- i. Expenses paid for investigations and other activities related to the compliance with a law or government order. (Section 13306)
- ii. Disallows amounts paid to settle sexual harassment claims. (Section 13307)
- iii. Disallows all lobbying expenses irrespective to which such expenses are booked to. (Section 13308)
- iv. Reduces the current 50% credit to 25% for Orphan Drug credit. (Section 13401)