

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

Versant Power

)

Docket No. ER20-1977-000

**INITIAL RESPONSES OF VERSANT POWER TO THE  
SECOND 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 Second Informational Data Requests tendered by the Maine Public Utilities Commission (“MPUC”) on June 25, 2021 (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.

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**QUESTION NO. MPUC-MPD-2-1**

In reference to Versant Power's 2020 FERC Form No. 1, Page 123.15, Versant Power provides a chart disclosing long-term revolving credit facilities of \$80 million as of December 31, 2020 and 2019. Please provide the following:

- a. The required maturity period for any borrowing outstanding under the terms of the credit facility.
- b. Identify any borrowing under the long-term credit facility that remained outstanding for longer than 12 months as of December 31, 2020.
- c. A spreadsheet computing the daily balances outstanding of borrowings, daily borrowings, and daily repayments under the long-term credit facility during 2020.
- d. A discussion of whether and how the long-term credit facility was used to support MPD's operations relative to BHD's operations.
- e. Confirmation that the credit facility presented in Versant Power's response to MPUC- MPD-1-10 Attachment A, tab Cost of LTD, Excel row 20 is the \$80 million credit facility discussed on Page 123.15 of the FERC Form No. 1.
- f. A detailed explanation supporting why the credit facility is considered long-term debt rather than short-term debt.

**RESPONSE NO. MPUC-MPD-2-1**

- a. The maturity date of any borrowings outstanding under the terms of the credit facility is February 2023.
- b. There were no borrowings under the long-term credit facility as of December 31, 2020.
- c. See MPUC-MPD-2-01 Attachment A.
- d. Versant's credit facilities support both the BHD and MPD. Borrowings are not made for a either the BHD or MPD individually.
- e. The credit facility as referenced in MPUC-MPD-1-10 Attachment A is the \$80 million credit facility discussed on Page 123.15 of the FERC Form 1.
- f. The credit facility is considered long-term debt as FERC defines long term debt as debt that matures more than one year from the date of issue. The current credit agreement for the \$80M facility was entered into in February 2018 and matures in February 2023.

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**Response Prepared By:** Jennifer Ireland, Controller

**List of Attachments:** MPUC-MPD-2-01 Attachment A

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**QUESTION NO. MPUC-MPD-2-2**

Please identify all borrowings from affiliates outstanding during 2020. For each borrowing, provide the date of issuance, date of pay off, and amount outstanding at initiation.

**RESPONSE NO. MPUC-MPD-2-2**

Versant Power did not have any borrowings from affiliates during 2020.

**Response Prepared By:** Jennifer Ireland, Controller

**List of Attachments:** None

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**QUESTION NO. MPUC-MPD-2-3**

In reference to Versant Power's 2020 FERC Form No. 1, Page 123.28, Note 13 Related Parties, please provide the accounts, with associated amounts, used to record the costs and revenues associated with capital work completed on behalf of MEPCo in 2020. In addition, please provide a descriptive list of the capital projects completed on behalf of MEPCo and explain why the affiliate transactions were not reported on Page 429 of the FERC Form No. 1.

**RESPONSE NO. MPUC-MPD-2-3**

Versant Power records costs and receivables associated with capital work completed on behalf of MEPCo to Account 184. In 2020, Versant Power completed the following projects on behalf of MEPCo:

<b>Project Number</b>	<b>Project Name</b>	<b>Description</b>
665C	MEPCo Engineering Design	MEPCO 345kv Lines 392, 396 & 3001 Engineering Design
676B	396/3001 Structure Rplcmnts	396/3001 Structure Replacements

Versant Power understands that the information provided in FERC Form 1 at page 429 shall include only non-power goods and services. Services provided by Versant Power to MEPCo include the design and construction of transmission assets and thus does not include non-power goods or services as Versant Power understands that term. As such, costs and receivables associated with MEPCo are not included on page 429.

**Response Prepared By:** Sarah Hesseltine, Manager, Financial Reporting

**List of Attachments:** None

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**QUESTION NO. MPUC-MPD-2-4**

In reference to Versant Power's 2020 FERC Form No. 1, Page 123.28, Note 13 Related Parties, please explain whether the capital projects completed on behalf of MEPCo were recorded in Account 107 and included in the computation of the AFUDC rate as a component of the CWIP balance of \$51,707,645.

**RESPONSE NO. MPUC-MPD-2-4**

Capital projects completed by Versant Power on behalf of MEPCo are not recorded in Account 107 and are not included in the computation of the AFUDC rate.

**Response Prepared By:** Sarah Hesseltnine, Manager, Financial Reporting

**List of Attachments:** None

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**QUESTION NO. MPUC-MPD-2-5**

In reference to Versant Power's 2020 FERC Form No. 1, Page 123.30, Versant Power discloses that "All other financial assets and liabilities such as cash and cash equivalents, accounts receivable, other assets, borrowings under the short-term credit facility, and accounts payable are carried at cost. The carrying value approximates fair value due to the short-term nature of these financial instruments." Please provide a discussion of the short-term credit facility mentioned in the FERC Form No. 1 note, the accounting used to record any outstanding borrowings during 2020, and the average outstanding balance during 2020.

**RESPONSE NO. MPUC-MPD-2-5**

The above reference relates to the long-term revolving credit facility. *See* Response No. MPUC-MPD-2-1.

**Response Prepared By:** Jennifer Ireland, Controller

**List of Attachments:** None

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**QUESTION NO. MPUC-MPD-2-6**

Please confirm whether Versant Power records any amounts associated with leases on Page 207 of the FERC Form No. 1. To the extent the answer is "Yes", please provide the Line No. and column which includes amounts related to leases, with the associated value of the lease included on the page. Note that the amounts associated with leases requested here would not include leasehold improvements.

**RESPONSE NO. MPUC-MPD-2-6**

Versant Power did not record any amounts associated with leases on Page 207 of its 2020 FERC Form 1.

**Response Prepared By:** Sarah Hesseltine, Manager, Financial Reporting

**List of Attachments:** None



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**QUESTION NO. MPUC-MPD-2-7**

In reference to Versant Power's response to MCG-1-10, for each project presented in Versant Power's response to MCG-1-10, please provide:

- a. The detailed work order accounting entries to retire and remove transmission assets and the most detailed description of the costs included in Versant Power's accounting system.
- b. The detailed work order accounting entries to record the construction or rebuild of transmission assets and the most detailed description of the costs included in Versant Power's accounting system.

**RESPONSE NO. MPUC-MPD-2-7**

- a. Versant Power interprets "work order accounting entries" to be the listing of assets retired from plant in-service for each project listed in Response No. MCG-1-10. *See* MPUC-MPD-2-07 Attachment A.
- b. Versant Power assumes the phrase work order accounting entries refers to the listing of assets placed in-service for each project listed in Response No. MCG-1-10. *See* MPUC-MPD-2-07 Attachment B.

**Response Prepared By:** Samantha Oakes, Property Accountant

**List of Attachments:** MPUC-MPD-2-07 Attachment A, MPUC-MPD-2-07 Attachment B

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**QUESTION NO. MPUC-MPD-2-8**

In reference to Versant Power's response to MPUC-MPD-1-10 and MPUC-MPD-1-10 Attachment A, please explain the manner the CWIP balance of \$51,707,645 was determined and provide the actual average daily CWIP balance in 2020.

**OBJECTION NO. MPUC-MPD-2-8**

Versant Power objects to this request to the extent that it requests the average daily CWIP balance in 2020. This data is not maintained by Versant Power in the ordinary course of business and would be unduly burdensome to compile. Notwithstanding and subject to the foregoing objection, Versant Power states as follows.

**RESPONSE NO. MPUC-MPD-2-8**

The CWIP balance of \$51,707,645 is the 12-month average of the 2020 CWIP month end balances. The average CWIP balance is not included in the computation of the AFUDC rates.

**Objection Prepared By:** Counsel

**Response Prepared By:** Sarah Hesseltine, Manager, Financial Reporting

**List of Attachments:** None

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**QUESTION NO. MPUC-MPD-2-9**

In response to the MPUC-MPD 1-29 data request, please provide a detailed tabulation for the "GIS Data Collections- MPD" project which totals \$379,152.

**RESPONSE NO. MPUC-MPD-2-9**

*See* MPUC-MPD-2-09 Attachment A.

**Response Prepared By:** Samantha Oakes, Property Accountant

**List of Attachments:** MPUC-MPD-2-09 Attachment A

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**QUESTION NO. MPUC-MPD-2-10**

In response to the MPUC-MPD 1-30 and 35 data requests, please provide a detailed tabulation for the "Pension & Post Retirement" line item provided in the amount of \$5,803,911, clearly labeling MPD's portion.

**RESPONSE NO. MPUC-MPD-2-10**

The "Pension & Post Retirement" line item of \$5,803,911 is entirely attributable to the Bangor Hydro District. The equivalent amount for MPD is \$1,017,315. *See* MPUC-MPD-1-30 Attachment A and MPUC-MPD-1-35 Attachment A at lines labeled "MPD Pension & Post Retirement".

**Response Prepared By:** Jennifer Ireland, Controller

**List of Attachments:** None

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**QUESTION NO. MPUC-MPD-2-11**

In response to the MPUC-MPD 1-32a data request, please provide detailed tabulations for the Subaccounts 182.79, 182.81, and 580.99 line items provided. Also, please explain why Subaccount 182.79 seems to be a credit in the amount of \$(1,678,559), for 2020, yet was a debit in the amount of \$1,678,559 in 2019 (MPUC 1-31a from the 2020 Annual Review).

**RESPONSE NO. MPUC-MPD-2-11**

*See* MPUC-MPD-2-11 Attachment A. In 2019, a major storm was deferred to Subaccount 182.79 for \$1,678,559 and is the debit balance reported in Response No. MPUC-MPD-1-31(a) from the 2020 Annual Update Review. In 2020, this same storm was written off, crediting the same account for \$1,678,559 and leaving a \$0 balance in the regulatory asset as its was uncertain as to whether the distribution regulatory asset would be approved by the MPUC.

**Response Prepared By:** Jennifer Ireland, Controller

**List of Attachments:** MPUC-MPD-2-11 Attachment A

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**QUESTION NO. MPUC-MPD-2-12**

In reference to Versant Power's response to MCG-1-9, please provide a detailed description and amount of the costs associated with power purchases and sales recorded in each administrative and general account used. In addition, please explain why such costs are appropriately classified as administrative and general expense, rather than Account 555 (Purchased Power) or other accounts included in the Other Power Supply function.

**OBJECTION NO. MPUC-MPD-2-12**

Versant Power objects to request as unduly burdensome insofar as it seeks information in a form not maintained by the company in its ordinary course of business and/or would require a special study to provide.

**Objection Prepared By:** Counsel

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**QUESTION NO. MPUC-MPD-2-13**

In reference to Versant Power's 2020 FERC Form No. 1, Page 123.28, Note 13 Related Parties, please provide the accounts, with associated amounts, used to record the costs billed from ENMAX that total approximately \$750,000 in 2020. In addition, for each account used that is included in MPD's formula rate, please provide the transaction-level accounting details of amounts billed from ENMAX and the most detailed description of the costs included in Versant Power or ENMAX's accounting system.

**RESPONSE NO. MPUC-MPD-2-13**

*See* MPUC-MPD-2-13 Attachment A.

**Response Prepared By:** Jennifer Ireland, Controller

**List of Attachments:** MPUC-MPD-2-13 Attachment A

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**QUESTION NO. MPUC-MPD-2-14**

In reference to "Exhibit 3", Excel Cells G42:H42, Goodwill Docket Nos. EC01-13, EC10-67 (neg.), please provide supporting documentation and reasoning for the change of approximately \$4.7 million from the original filed template on May 3, 2021.

**RESPONSE NO. MPUC-MPD-2-14**

The Company updated the Goodwill balance to agree to its reported FERC Form 1 value.

**Response Prepared By:** Jennifer Ireland

**List of Attachments:** None



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**QUESTION NO. MPUC-MPD-2-15**

In reference to "Exhibit 4", Excel Cells E40:I40, Transmission Prepayments (Acct. No. 165), please provide supporting documentation and reasoning for the change of approximately \$3.3 million from the original filed template on May 3, 2021.

**RESPONSE NO. MPUC-MPD-2-15**

The change in Transmission Prepayments was due to:

- Removing Bangor Fiber prepaid property taxes because Bangor Fiber is accounted for using the equity method of accounting.
- An incorrect data source that did not account for the reclass of some negative prepayment amounts, due to recording accruals before actual invoices were received and paid.

**Response Prepared By:** Jennifer Ireland, Controller

**List of Attachments:** None