**Central Maine Power Company (CMP)**

**2023 ISO New England Inc. Transmission, Markets and Services Tariff**

**Docket No. ER20-2054**

**Maine Public Utilities Commission (MPUC)**

**Data/Information Request No. 1**

**July 26, 2023**

**MPUC-CMP-1-8**

**Q:** Please provide the materiality memo (or the relevant equivalent) developed to support the financial reporting and accounting applicable to CMP’s 2022 FF1. In addition, explain how the materiality threshold was applied to any known accounting errors, misstatements, or omissions during 2022. To the extent that the materiality threshold was applied to known accounting errors, misstatements, or omissions during 2022, please identify all items associated with accounts included in the wholesale transmission formula rate and provide the associated amounts and FERC accounts impacted.

**A:** As part of the annual audit performed by KPMG, CMP prepares a summary of unadjusted differences, and KPMG provides back a Summary of Audit Misstatements (See MPUC-CMP-1-8 Attachment 1), which is attached as part of the management representation letter signed by CMP executives to close the audit. Avangrid and its subsidiaries close their monthly books for year-end reporting in three days, therefore these differences primarily consist of timing differences. They are discovered in the post-close period when internal controls (namely account reconciliations) continue to be performed after the balance sheet date but before the financial statements are released (the books close in three days). These unadjusted differences are passed on in audited financial statement preparation based on immateriality, and recorded in the next financial period/quarter. The 2022 Summary of Audit Misstatements for CMP’s US GAAP standalone audited financial statements and CMP’s FERC Form 1 financial statements are the same, with no differences between the two. Some of the adjustments do not affect net income but rather are disclosure misstatements that only impact balance sheet line items or footnote disclosures.

**Response Prepared and Submitted By:** James Clemente