

Central Maine Power Company (CMP)
2024 ISO New England Inc. Transmission, Markets and Services Tariff
Docket No. ER20-2054
Maine Public Utilities Commission (MPUC)
Data/Information Request No. 1

July 25, 2024

MPUC-CMP-1-08

Q: Please provide the materiality memo (or the relevant equivalent) developed to support the financial reporting and accounting applicable to CMP's 2023 FF1. In addition, explain how the materiality threshold was applied to any known accounting errors, misstatements, or omissions during 2023. To the extent that the materiality threshold was applied to known accounting errors, misstatements, or omissions during 2023, 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 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. These unadjusted differences are passed on in audited financial statement preparation based on immateriality, and recorded in the next financial period/quarter. The 2023 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

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