



2021 IRM Application

Responses to Staff Questions

EB-2020-0015

Table of Contents

Question 1.....	3
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QUESTION 1

Reference: OEB Staff Question 1

- a) Entegrus Powerlines provided a year-over-year reconciliation for Account 1588. The 2019 year-end balance in the reconciliation is \$740,015. The 2019 year-end balance in the DVA Continuity Schedule is \$725,557. A difference of \$14,458. Please explain the difference in the 2019 balance in the reconciliation and DVA Continuity Schedule.
- b) Typically, prior year principal adjustments that are reversed in the current year will not generate a variance between the balance in the DVA Continuity Schedule and the RRR. The variance will equal the principal adjustments made to the current year end (i.e. 2019 year-end adjustments only). However, in Entegrus Powerlines' DVA Continuity Schedule, there is a variance between the 2019 balance in the DVA Continuity Schedule and the RRR of (\$77,632), which is comprised of (\$63,174) for 2019 timing adjustments and (\$14,458) for the 2017 reversal. Entegrus Powerlines has indicated that the adjustment was not recorded in the general ledger until 2019.
 - a. Please confirm whether the adjustment not made in the made in the general ledger until 2019 general is referring to the original debit \$14,458 adjustment.
 - b. If yes, please explain why the variance between the DVA Continuity Schedule and RRR is a credit of \$14,458.
 - c. If no, please explain why a reversal to a true-up would need to be recorded in the general ledger.
- c) Please provide a reconciliation showing the year end balance in the general ledger and the balances in the DVA Continuity Schedule for 2016 to 2019, showing when the true-ups were recorded in the general ledger and the associated principal adjustments in the balances in the DVA Continuity Schedule.

Response

Upon further review, Entegrus has determined that the 2018 ending balance previously shown in Account 1588 should have reflected the 2018 ending balance from the 2020 IRM Continuity Schedule, rather than the 2018 RRR 2.1.7 ending balance.

Entegrus has updated the Rate Generator Model, Tab 3. Continuity Schedule, Cell AV28 with the 2018 ending balance of \$772,850. The interest recorded in Cell BA28 remains unchanged for a 2018 ending balance total of \$784,222.

Please refer to file titled "Entegrus-Main_2021RateGen_20201106.xlsx" included in this submission.

- a) The updated 2021 Rate Generator Model is now showing a 2019 ending balance of \$740,014 as reflected in the reconciliation.
- b)
 - a. Confirmed.
 - b. As noted above, Entegrus has updated the 2021 Rate Generator Model and the variance shown in Cell BW28 of Tab 3. Continuity Schedule now reflects the correct variance of \$63,175 (rounded).
 - c. Not applicable.

c) Please see table below.

Description	Per IRM Continuity			Year End Balance	
	Principle & Interest	Timing Adjustment	Total	RRR 2.1.7	Variance
2016 Activity	2018 IRM (EB-2017-0033)				
YE2015 Balance	\$244,605	\$0	\$244,605		
2016 Transactions	\$247,206	-\$18,303	\$228,903		
YE2016 Balance	\$491,810	-\$18,303	\$473,508	\$491,810	-\$18,303
2017 Activity	2019 IRM (EB-2018-0024)				
Reverse 2016 Timing	\$0	\$18,303	\$18,303		
2017 Transactions	\$436,628		\$436,628		
2017 Timing (Reverse 2019)		\$14,458	\$14,458		
YE2017 Balance	\$928,438	\$14,458	\$942,896	\$928,439	\$14,457
2018 Activity	2020 IRM (EB-2019-0030)				
Reverse 2017 Timing		-\$14,458	-\$14,458		
2017 Timing (Reverse 2019)		\$14,458	\$14,458		
2018 Timing		\$19,696	\$19,696		
2018 Transactions	-\$178,370		-\$178,370		
YE2018 Balance	\$750,069	\$34,154	\$784,223	\$750,070	\$34,153
2019 Activity	2021 IRM (EB-2020-0015)				
Reverse 2017 Timing		-\$14,458	-\$14,458		
Reverse 2018 Timing		-\$19,696	-\$19,696		
2019 Activity	\$53,121		\$53,121		
2019 Timing		-\$63,174	-\$63,174		
YE 2019 Balance	\$803,189	-\$63,174	\$740,015	\$803,190	-\$63,175