Message

From: Anthony Martinello [/O=IMO/OU=MSX1/CN=RECIPIENTS/CN=MARTINEA]
Sent: 2017-03-24 12:34:18 PM
To: Susan Nicholson [/O=IMO/OU=MSX1/cn=Recipients/cn=Susan Nicholson]
CC: Michael Boll [/O=IMO/OU=EXCHANGE ADMINISTRATIVE GROUP (FYDIBOHF23SPDLT)/CN=RECIPIENTS/CN=Michael Bolld5b]; Jeannette Briggs [/O=IMO/OU=MSX1/cn=Recipients/cn=Jeannette Briggs]
Subject: taxes for the new rate mitigation asset

Susan,

The good topic of taxes came up (income taxes, excise HST) brought up by Michael.

The purported plan is that the IESO is selling a regulatory asset to a trust (separate legal entity or entities), and the IESO will be paid a purchase price for those assets. At a point in the future, the IESO will repay for those assets (akin to a repurchase or repo agreement that banks use today with great frequency).

Will the IESO be subject to any income or excise taxes/HST? Maybe KPMG who is already on this file may have some headway into this topic and you could ask Michel or Rhonda?

This matter will be place on our list of issues.

Regards.