

**KPMG LLP**

KPMG LLP

Accounting Service Centre|Suite 1400|1
Vaughan, ON L4K 0J3**Payment Address:**

KPMG LLP, T4348

P.O. Box 4348, Station A
Toronto, ON M5W 7A6

July 26, 2018

Independent Electricity System Operator
#1600-120 Adelaide Street West
Toronto, ON M5H 1T1
ATTN: Ms. Susan Nicholson
Corporate Controller

Invoice	: 8002141986
Reference	: 2000606203
Client	: 1000003504
Contact	: Rhonda Anderson
Telephone	: (416) 777-8255
Email	: rhondaanderson@kpmg.ca

susan.nicholson@ieso.ca

To Professional Indirect Tax Services for the period June 1, 2017, to July 31, 2018 as described herein below, pursuant to engagement letter with KPMG LLP for Indirect Tax (GST/HST) advisory services:

**Fair Hydro IESO Issues**

- June 6th, 2017 review of applicable legislation by our Simon Proulx pertaining to OPG trust regulatory asset sale/financing and application of GST/HST to receivable trust in preparation of meeting with ISEO. Also meet with Michel Picard to ensure transaction understood from an accounting position. Request to meet made by Susan Nicholson.
- June 7th, 2017 meeting between our Rhonda Anderson, Simon Proulx, and IESO's Susan Nicholson and others regarding status of IESO as a financial institution under 149(1)(c) due to potential interest income related to transactions.
- June 8th, 14th, 15th, and 19th analysis of ETA in light of transaction facts as represented by agreements and documents provided by IESO, as discussed in

GST/HST Number 12236 3153 RT0001 QST Registration 1023774310 TQ0001

CAD Cheque Payments: KPMG LLP, T4348, P.O. Box 4348, Station A, Toronto, ON M5W 7A6
Please return remittance advice with cheque.

CAD Wire Payments: Beneficiary: KPMG LLP

Bank Details: TD Canada Trust, 55 King St. West, Toronto, ON M5K 1A2, Bank # 004, Transit # 10252,

Please e-mail related wire payment details including invoice number to kpmg-ar@kpmg.ca

Invoice No: 8002141986	Reference: 2000606203	Client: 1000003504	Amount: \$ 33,335.00	CAD
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meeting on June 7th, 2017 and preparation of draft email to IESO outlining application of ETA. Confirmation of facts with IESO and provision of email confirming that FI risk remained at 149(1)(c) due to potential interest income.

- June 20th, 2017, email communication between Susan Nicholson and Rhonda Anderson related to IESO vs IESO Markets being party receiving interest income and impact for GST111 purposes.
- November 15th, 27th, and December 1, communication with Susan Nicholson related to the application of GST/HST to expenses pushed through to IESO from the Trust and the appropriate manner of handling these expenses. The concern and issue is whether tax is embedded and unrecoverable as supply is exempt creating tax costs to IESO.

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New

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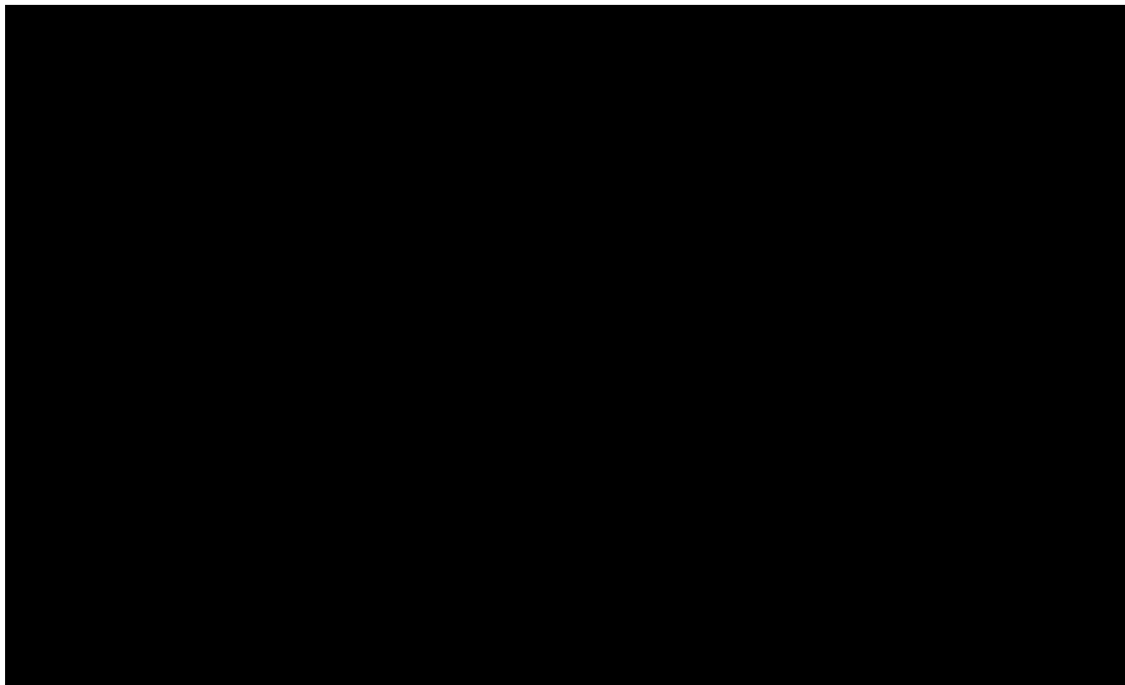
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**Total \$29,500**

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Our Fee

\$ 29,500.00 CAD

HST

\$ 29,500.00 CAD
3,835.00

Amount Due

\$ 33,335.00 CAD

Payment is due upon receipt

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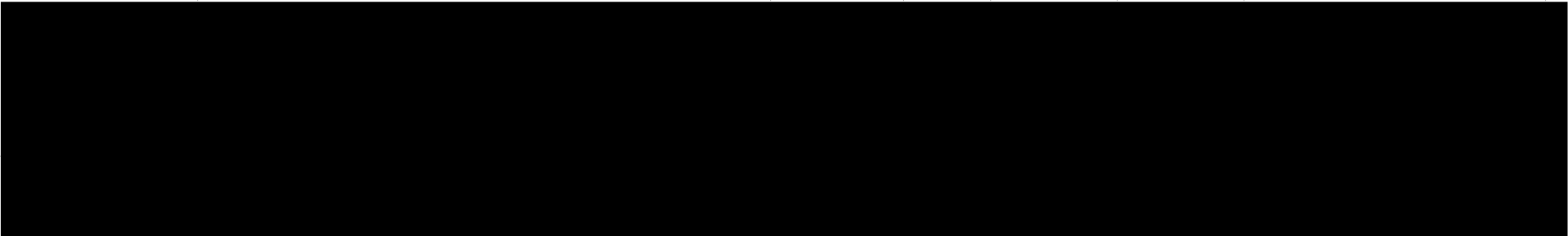
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Breakdown of Hours - KPMG Invoice 8002141986

Employee Name	TimeSheet Narrative	Work Date	Hours	Standard Rate	Standard Fee Revenue	Engagement Rate	Fee
Simon Proulx	Client meeting re receivables trust	06/07/2017	2.00	\$1,050.00	\$2,100.00		\$900.00
Ryan Fullarton	As requested by Rhonda A, reviewed all available information and applicable legislation pertaining to OPG trust regulatory asset sale/financing and participated in call to discuss potential GST/HST impact.	06/08/2017	3.50	\$480.00	\$1,680.00		\$1,312.50
Simon Proulx	meeting with Michel Picard; Debrief with Rhonda	06/08/2017	0.80	\$1,050.00	\$840.00		\$360.00
Ryan Fullarton	As requested by Rhonda A, reviewed all information and documentation PBC pertaining to Fair Hydro planned transactions as well as applicable legislation and began preparing memo.	06/13/2017	2.00	\$480.00	\$960.00		\$750.00



Rhonda Anderson	Call from Susan re:embedded tax in expesnes pushed through from Trust	11/27/2017	1.00	\$900.00	\$900.00		\$450.00
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