Message

From: Anderson, Rhonda E [rhondaanderson@kpmg.ca]
Sent: 2017-03-24 4:36:50 PM
To: Susan Nicholson [/O=IMO/OU=MSX1/cn=Recipients/cn=Susan Nicholson]
Subject: Re: taxes for the new rate mitigation asset

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Hello Susan, great to hear from you. I have time between 1 and 2:45PM. Can u give me the heads up as to the questions so the time will be worthwhile and if there is anything you can send or have sent that would be great too.

Look forward to chatting.

Have a great weekend Susan! I am in Halifax this weekend - I have been here for business for a few days and will visit Mom😀

Rhonda sent this message from her iPhone.

On Mar 24, 2017, at 5:31 PM, Susan Nicholson <susan.nicholson@ieso.ca<mailto:susan.nicholson@ieso.ca>> wrote:

Hi Rhonda - please let me know if you have some time on Monday morning to speak. I now have two HST questions for you to look into for the IESO.

Thanks, Susan

From: Anthony Martinello
Sent: March 24, 2017 12:34 PM
To: Susan Nicholson
Cc: Michael Boll; 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.