Message

From: ANTHONY-HOKORORO Gail -FIN & C CTRL [gail.anthony.hokororo@opg.com]
Sent: 2017-06-14 4:35:19 PM
To: Susan Nicholson [/o=ExchangeLabs/ou=Exchange Administrative Group (FYDIBOHF23SPDLT)/cn=Recipients/cn=f668e601bd2b4865a5c31dca531047c8-Susan Nicho]
CC: SHAH Ameet -FIN & C CTRL [ameet.shah@opg.com]
Subject: DIminimis FI

Importance: High

Hi Susan,

We want to get some context around the IESO's concern if you must report the interest obligation. You indicated that the IESO total market obligation is approximately $17B annually. If the annual interest obligation recorded by the IESO re the Fair Hydro Plan arrangement is >$10M annually, and the IESO becomes a di minimis FI, the IESO should still be able to claim ITCs in respect of all its other commercial activities. It will only be restricted with respect to claiming ITCs on expenses related to the Fair Hydro Plan.

The payment of the funding rebate amounts by the IESO to the OPG financing entity is not subject to HST. The unrecoverable HST (included in the funding rebates) that becomes a part of the regulatory asset cannot be claimed as ITCs by the IESO, regardless of the IESO's status as a di minimis FI or not.

Have I over looked any other expenses where the ITCs would be trapped? We would appreciate your response.

Regards,

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