



Market Rule Amendment Submission

This form is used to request an amendment to, or clarification of, the *Market Rules*. Please complete the first four parts of this form and submit the completed form by email or fax to the following:

Email Address: Rule.Amendments@ieso.ca

Fax No.: (416) 506-2847 Attention: Market Rules Group

Subject: Market Rule Amendment Submission

All information submitted in this process will be used by the *IESO* solely in support of its obligations under the *Electricity Act, 1998*, the *Ontario Energy Board Act, 1998*, the *Market Rules* and associated policies, standards and procedures and its licence. All submitted information will be assigned the *confidentiality classification* of “Public” upon receipt. You should be aware that the *IESO* will *publish this amendment submission* if the *Technical Panel* determines it warrants consideration and may invite public comment.

Terms and acronyms used in this Form that are italicized have the meanings ascribed thereto in Chapter 11 of the *Market Rules*.

PART 1 – SUBMITTER’S INFORMATION

Please enter contact information in full.	
Name: <u>IESO Staff</u>	
(if applicable) <i>Market Participant / Metering Service Provider</i> No. ¹ : <u>N/A</u>	<i>Market Participant Class</i> : <u>N/A</u>
Telephone: <u>905-403-6955</u>	Fax: <u>905-855-6371</u>
E-mail Address: <u>Rule.Amendments@ieso.ca</u>	

PART 2 – MARKET RULE AMENDMENT SUBMISSION INFORMATION

Subject: <u>Market Administration</u>	
Title: <u>Harmonized Sales Tax</u>	
Nature of Request (please indicate with x)	
<input checked="" type="checkbox"/> Alteration	<input type="checkbox"/> Deletion
<input type="checkbox"/> Addition	<input type="checkbox"/> Clarification
Chapter: <u>2</u>	Appendix: _____ Sections: _____
Sub-sections proposed for amending/clarifying: <u>1.2, 3.1</u>	

¹ This number is a maximum of 12 characters and does not include any spaces or underscore.

PART 3 – DESCRIPTION OF THE ISSUE

Provide a brief description of the issue and reason for the proposed amendment. If possible, provide a qualitative and quantitative assessment of the impacts of the issue on you and the *IESO-administered markets*. Include the Chapter and Section number of the relevant *market rules*.

Background

As announced in the 2009 Ontario Budget, the Provincial Sales Tax (PST) will be harmonized with the federal Goods and Services Tax (GST) to create a harmonized value-added sales tax (HST) for Ontario, effective July 1, 2010. The HST will be 13%, consisting of the provincial portion at eight per cent and the federal portion at five per cent. With few exceptions, none of which are applicable to transactions within the IESO-administered market, the HST will apply to the same base of property and services as the GST. Therefore, for IESO-administered market charges, this means that all charges that currently attract GST in Ontario will attract HST.

Chapter 2 of the market rules specifies the conditions for participation in the IESO-administered markets. All market participants, except for those who participate solely in the transmission rights market, are required to demonstrate that they are either registered for the federal GST or are not liable to pay the GST. A market participant must provide the IESO with their GST registration number or documentation that supports their GST-exempt status. Effective July, 1, 2010, the new harmonized value-added sales tax will replace the GST and PST in Ontario so market participants will be required to provide the appropriate documentation relating to HST.

For more information about the new harmonized value-added sales tax (HST), please see the Federal and Provincial web sites at <http://www.cra-arc.gc.ca/gncy/hrmnztn/on/menu-eng.html> and <http://www.rev.gov.on.ca/en/taxchange/hst.html>.

PART 4 – PROPOSAL (BY SUBMITTER)

Provide your proposed amendment. If possible, provide suggested wording of proposed amendment.

It is proposed to amend the market rules in order to be compliant with Bill 218 (an Act to implement 2009 Budget measures) by replacing market rule references to the Goods and Services Tax with harmonized value-added tax as referenced in Part IX of the *Excise Tax Act*.

PART 5 – FOR IESO USE ONLY

<i>Technical Panel</i> Decision on Rule Amendment Submission: <u>Warrants consideration</u>	
MR Number: <u>MR-00368</u>	
Date Submitted to <i>Technical Panel</i> : <u>February 18, 2010</u>	
Accepted by <i>Technical Panel</i> as: (please indicate with x)	Date:
<input checked="" type="checkbox"/> General <input type="checkbox"/> Urgent <input type="checkbox"/> Minor	<u>February 23, 2010</u>
Criteria for Acceptance: <u>The amendment submission identifies an error or inconsistency between the market rules and applicable law, regulations, codes, OEB licences, etc.</u>	
Priority: <u>High</u>	
Criteria for Assigning Priority: <u>The proposed amendments must be in effect by July 1, 2010 in order for the market rules to be consistent with the applicable legislation.</u>	
Not Accepted (please indicate with x): <input type="checkbox"/>	
Clarification/Interpretation Required (please indicate with x): <input type="checkbox"/>	
<i>Technical Panel</i> Minutes Reference: <u>IESOTP 235-1</u>	
<i>Technical Panel</i> Comments: <u>None</u>	