

Sales Tax Information – Harmonized Sales Tax

You may be aware that effective July 1, 2010 British Columbia and Ontario will introduce the Harmonized Sales Tax (HST). We are requesting your assistance in dealing with the transition to the HST and ensuring that document requirements for claiming input tax credits are met.

To Our Vendors:

We are providing you with our understanding of the general and transitional rules that may apply to the periods prior to, on and after July 1, 2010.

For supplies occurring in BC or Ontario, it is our understanding that for taxable supplies delivered or provided prior to July 1, 2010, the applicable GST and PST will be charged, even if the invoice is issued on or after July 1, 2010.

For supplies occurring in BC or Ontario, it is our understanding that for taxable supplies delivered or provided on or after July 1, 2010, the applicable HST rate will be charged and shown on the invoice, and no GST or PST will be charged.

Our accounts payable policy regarding payment of vendor invoices requires us to validate if the correct HST, GST and PST have been charged. In the event of inconsistent treatment between our understanding and the vendor invoice the process described below will be followed:

1. AltaGas accounts payable will contact the vendor by telephone on the first occurrence and request a corrected invoice.
2. In the case of a second occurrence, the invoice will be sent back to the vendor with the appropriate notice of an error.

To Our Customers:

If the HST is applicable, we will be adjusting our invoices to comply with the general, place of supply and transitional rules as set out by the CRA and the provinces of British Columbia and Ontario. The HST rate is comprised of a 5% federal component and a corresponding provincial component (7% for British Columbia, 8% for Ontario). Your invoice will show the total HST charged.

For British Columbia energy sales, HST is applicable to the BC Carbon Tax which is still included on your invoice.

For adjustments to your account made after July 1, 2010, but with respect to supplies made prior to July 1, 2010, the appropriate GST and PST rates will be applicable.

Should you have any questions, please contact your customer service representative, or The CRA at:



<http://www.cra-arc.gc.ca/gncy/hrmnztn/menu-eng.html>