



KPMG LLP
Bay Adelaide Centre
Suite 4600
333 Bay Street
Toronto ON
M5H 2S5

Telephone (416) 777-8500
Fax (416) 777-8818
www.kpmg.ca

Private & Confidential

Ms. Cindy Veinot
Treasury Board Secretariat, Office of the Provincial Controller
Frost Building South
7 Queen's Park Crescent East
Toronto, Ontario, M7A 1 Y7
Canada

Ernst & Young LLP
[address]

February 14, 2018

In connection with the preparation of a technical accounting paper (the "Accounting Paper") by the Office of the Provincial Controller Division, Treasury Board Secretariat (the "OPC") and their advisors at Ernst & Young LLP ("EY") (OPC and EY collectively being the "Recipients") related to the Fair Hydro Plan, 2017, KPMG LLP ("KPMG") understands that the Recipients have requested a copy of our letter to IESO dated February 12, 2018 regarding the application of PSAS to the consolidation of a trust and to the recognition and derecognition of a variance account in relation to the Ontario Fair Hydro Plan Act, 2017 (the "Document").

KPMG is prepared to consent to IESO providing the Recipients with a copy of the Document subject to their agreement to the terms of this letter agreement.

The Document was prepared solely in accordance with the specific terms of reference (the "Engagement Letter") agreed between ourselves and IESO for their exclusive use and for no other purpose.

The Document should not be regarded as suitable for use by any person or persons other than the addressees of the Document or for any purpose other than set out in the Engagement Letter. We accept no responsibility or liability for any reliance that the Recipients may place on the Document.

The Recipients should note that we have not sought to update the Document for events subsequent to February 12, 2018 and significant events may well have occurred since that date.

In consideration of IESO providing the Document to the Recipients, the Recipients hereby agrees to the following:

- a) No one at KPMG is authorized by KPMG to make any representations to the Recipients with respect to IESO. Nor may anyone at KPMG provide the Recipients with the



Document on any basis which is inconsistent with or varies or adds to the terms of this letter;

- b) KPMG neither warrants nor represents that the Document is accurate, complete, sufficient or appropriate for any purpose contemplated by the Recipients;
- c) The Document is not provided pursuant to any agreement or other arrangement of a contractually binding nature between our firm and the Recipients;
- d) The Recipients do not acquire any rights against our firm or otherwise as a result of our agreement to disclose the Document to the Recipients;
- e) Our firm and personnel do not have any duties, responsibilities, liabilities or obligations to the Recipients relating to the Document;
- f) The Recipients will not commence any action, suit or proceeding or make any demand, complaint or claim against us relating to the Document; and
- g) The Recipients will provide KPMG with a copy of the Accounting Paper as soon as it is available.

Further the Recipients agree that the Document will be maintained by them in strict confidence and not disclosed to any other party, will be used by them only in connection with purpose described above, and that the Recipients will notify KPMG promptly of any request received by Recipients from any court, regulatory authority or other person or entity with respect to the Document.

This letter sets out the entire understanding of the parties in relation to the conditions upon which access to the Document is provided and replaces all prior understandings, if any, made by KPMG.

Please indicate your acceptance to the terms of this letter by signing and returning one copy of this letter to the undersigned.

Yours very truly



Michel Picard
Partner



The Recipients hereby acknowledges that it understands and agrees to the conditions upon which the Document is provided.

Office of the Provincial Controller, Ontario Treasury Board Secretariat

by: _____
Signature Date

Name: Ms. Cindy Veinot

Title: Treasury Board Secretariat, Office of the Provincial Controller

Ernst & Young LLP

by: _____
Signature Date

Name: _____

Title: _____