

The Audit & Risk Committee of the Board of Directors
Ontario Power Generation Inc. (the "Company")
700 University Avenue
Toronto, ON M5G 1X6

January 10, 2018

Dear Sirs/Madames:

This letter is being issued to the Audit & Risk Committee to assist them in their evaluation of management's analysis of the application of United States Generally Accepted Accounting Principles ("US GAAP") and International Financial Reporting Standards ("IFRS") as adopted by the International Accounting Standards Board ("IASB") to the specific transaction described in the Company's memorandums entitled *Consolidation Considerations of the Fair Hydro Trust Under US GAAP* dated January 8, 2017 and *Consolidation Considerations of the Fair Hydro Trust Under IFRS* dated January 8, 2017, herein referred to as "the Management Consolidation Memorandums" and the Company's memorandums entitled *Day 2 Accounting Considerations for the Fair Hydro Plan Under US GAAP* dated January 8, 2017 and *Day 2 Accounting Considerations for the Fair Hydro Plan Under IFRS* dated January 8, 2017, herein referred to as "the Management Accounting Memorandums", referred to in aggregate as "the Memorandums". We are issuing this letter in our role as auditors of the Company for the year ended December 31, 2017.

We have read the Management Consolidation Memorandums and the Management Accounting Memorandums and we agree with management's analysis therein, subject to all of the assumptions and limitations identified therein. Specifically, we concur that the existing legislation and regulations, along with the special purpose vehicle ("the Trust") documents, and various other agreements as noted in the 'Status of Program Agreements' section in the Memorandums, would be sufficient to support consolidation of the Trust with OPG Inc. Further, we concur that the existing legislation and regulations, along with the special purpose vehicle ("the Trust") documents, and various other agreements as noted in the 'Status of Program Agreements' section in the Memorandums, would result in accounting for the transaction being classified as described in the Management Accounting Memorandums.

Additionally, we specifically refer you to the sections entitled "Conclusion" or "Overall Conclusion" in the Management Consolidation Memorandums and the Management Accounting Memorandums, which indicates that their analysis is based on the existing legislation and regulations, as well as the terms and conditions of certain contractual arrangements and other documentary evidence, as noted in the 'Status of Program Agreements' section in the Memorandums. Should there be changes made to the existing legislation, regulation or executed contractual arrangements and other documentary evidence, the Memorandums will be required to be updated to reflect the amended contents of other relevant contractual arrangements and documentary evidence.

The scope of this letter and any views expressed herein are limited to the transactions, facts, circumstances and assumptions provided to us by management or the Company as described in the Memorandums. If such facts, circumstances or assumptions differ, our conclusions may change.

We have not performed an audit or a review of the Memorandums. Additionally, we have not performed an audit as of any date or for any period subsequent to December 31, 2016.

The ultimate responsibility for the proper accounting treatment under IFRS and US GAAP rests with the Company.

We have not been asked for, nor do we express, an opinion on the tax consequences of the transactions described herein.

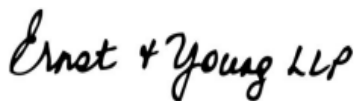
The accounting for such transactions could be affected by actions of the Financial Accounting Standards Board, the Emerging Issues Task Force, International Accounting Standards Board, the IFRS Interpretations Committee, the Ontario Securities Commission, or other regulatory bodies. Any such actions occurring prior to the finalization of the 2017 US GAAP or IFRS consolidated financial information will be required to be analyzed by management, and such analysis will be reviewed by us in the context of the audit procedures we will perform on the consolidated US GAAP and IFRS financial information for the year ending December 31, 2017.

Our work does not include the provision of legal advice and we make no representations regarding questions of legal interpretation of any possible structure or strategy. We make no representation regarding the sufficiency of our work for any purpose.

This report is intended solely for the information and use of the Audit & Risk Committee, Board of Directors and management. We understand that a copy of this letter may be provided to the Province of Ontario, the Independent Electricity System Operator, and/or the Ontario Energy Board. It is not intended to be, and should not be, used by anyone other than these specified parties.

This analysis, or portions thereof, should not be referred to or distributed to any other person or entity, other than those noted in the paragraph directly above. It is not to be referred to or quoted, in whole or in part, in any registration statement, prospectus, public filing, loan agreement, or other agreement or document.

Yours sincerely



Chartered Professional Accountants
Licensed Public Accountants

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Partner
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