CARRYING COSTS STATEMENT

TO: Independent Electricity System Operator
120 Adelaide Street West, Suite 1600
Toronto, Ontario M5H 1T1

Attention: Chief Financial Officer, General Counsel and Associate General Counsel
Email: Kim.Marshall@ieso.ca; General.Counsel@ieso.ca; Michael.Boll@ieso.ca

Reference is made to Section 9.1 of Ontario Regulation 206/17: General pursuant to which the **INDEPENDENT ELECTRICITY SYSTEM OPERATOR** (the "IESO") is required to pay and remit to the **FAIR HYDRO TRUST** (the "**Issuer**"), a financing entity under the Ontario Fair Hydro Plan Act, 2017 .

The undersigned hereby certifies that the carrying costs in respect of the calendar month of December, 2017 are expected to be as follows:

Item	Amount
Financing cost – interest on warehouse debt	3,200,000.00
Financing cost – upfront and standby fees on warehouse debt	1,800,000.00
Financing cost – rating agency, trustee and other amounts	1,000,000.00
Total carrying cost	6,000,000.00

The undersigned hereby directs you to deliver to the Issuer, by wire transfer to the account set forth in Schedule A, an amount in Canadian dollars equal to the carrying costs set forth above on or before December 20, 2017, and this shall be your good and valid authority for so doing.

DATED this 20th day of December, 2017.

FAIR HYDRO TRUST, by its Manager,
ONTARIO POWER GENERATION INC.

By: ______________________________
Name:
Title:

By: ______________________________
Name:
Title:

Schedule A

See attached.