

Private & Confidential

Ms. Kimberly Marshall
VP, Corporate Services & CFO
Independent Electricity System Operator

120 Adelaide Street West Suite 1600
Toronto, ON
M5H 1T1

May 16, 2017

Dear Madam:

We write in connection with our letter to the Independent Electricity System Operator (the "Company"), dated May 16, 2017, regarding our accounting opinion ~~(the "Document")~~ on the application of Public Sector Accounting Standards to the consolidation of a trust and to the recognition and derecognition of a variance account in relation to the Bill 132, *Ontario Fair Hydro Plan, 2017* (the "Bill 132") ~~(the "Document")~~, that was prepared pursuant to the terms of the engagement letter dated April 27, 2017, ~~(the "Engagement Letter")~~. Any reference to the Document in this letter will refer to either a draft or final version of the Document.

~~We KPMG LLP ("KPMG") understands that the Ministry of Energy (the "Ministry") has requested that a copy of the Document be provided to them, and that the Ministry may wish to make the Document public. We agree to the Company providing a copy of the Document to the Ministry. Further to our past discussions over the past few weeks, KPMG also acknowledges and agrees that the Ministry of Energy may make the Document public, provided that the entirety of the Document is made public.~~

~~The Company will accept the risk, and not hold KPMG responsible, if providing the Document to the Ministry, or the Ministry making the Document public, directly or indirectly results in any actions, damages, claims, fines, penalties, complaints, demands, suits, proceedings, liabilities, costs, expenses, or losses (collectively "Claims") against or to the Company.~~

~~In the event of any actions, damages, claims, fines, penalties, complaints, demands, suits, proceedings, liabilities, costs, expenses, or losses (collectively "Claims") by any third party against KPMG that directly or indirectly arises out of or relates to the Company providing a copy of the Document to the Ministry or the making of the Document public by the Ministry, the Company will indemnify and hold harmless KPMG from all such Claims, including without limitation, reasonable legal fees, except to the extent finally determined to have resulted from the intentional, deliberate or fraudulent misconduct of KPMG.~~

For purposes of this letter, the term KPMG shall include its subsidiaries, its associated and affiliated entities and their respective current and former partners, directors, officers, employees, agents and representatives. This letter shall apply regardless of the form of Claim, whether in contract, statute, tort (including, without limitation, negligence) or otherwise.

~~Nothing in this letter modifies, varies, waives or amends any provision of the Engagement Letter.~~

Please indicate your acceptance to the terms of this letter and to our providing the Information to the Recipient by signing and returning a copy of this letter to the undersigned.

Yours very truly,

Michel Picard
Partner
416) 777 -8414

We are in agreement with the terms of this letter and to the release of the Information.

Independent Electricity System Operator

by: _____
Signature: _____ Date: _____

Name: Ms Kim Marshall

Title: VP, Corporate Services & CFO