ieso
Connecting Today.
Powering Tomorrow.

Independent Electricity System Operator
1600-120 Adelaide Street West
Toronto, ON M5H 1T1
t 416.967.7474
www.ieso.ca

November 20, 2017

Andrew Maciel
Managing Director, Securitization, CIBC Capital Markets
CIBC World Markets Inc.
161 Bay Street, 5th Floor, Toronto ON M5J 2S8

Re: Fair Hydro

Dear Sir/Madam,

In connection with the Government of Ontario's Fair Hydro Plan, KPMG LLP ("KPMG") and the Independent Electricity System Operator ("IESO") have been asked to consent to the provision of a copy of KPMG's Memorandum to File dated July 25, 2017 regarding the adoption of regulated rate accounting by IESO and the concerns therewith identified by the Auditor General of Ontario (the "Document") to CIBC World Markets Inc. (the "Recipient").

The IESO is prepared to agree to the Document being provided to the Recipient subject to the Recipient agreeing to the IESO's terms and conditions for such disclosure, and to your agreement to the terms of this letter.

Recipient will accept the risk, and not hold IESO responsible, if providing the Document to the Recipient 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 KPMG or IESO.

In the event of any Claims by any third party against IESO that directly or indirectly arise out of or relate to IESO providing a copy of the Document to the Recipient, Recipient will indemnify and hold harmless IESO from all such Claims, including without limitation, reasonable legal fees.

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

Yours very truly,

Independent Electricity System Operator

K Marshall

Kim Marshall
Vice President

****

We are in agreement with the terms of this letter agreement.

CIBC World Markets Inc.

by: ______________________ November 20, 2017
signature Date:

Name: Andrew Maciel
Title: Managing Director

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

Telephone (416) 777-8500
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Private & Confidential

Andrew Maciel (the "Recipient")
CIBC Capital Markets
Managing Director, Securitization

161 Bay Street
5th Floor
Toronto, Ontario
M5J 2S8

November 20, 2017

Dear Sir:

In connection with the establishment of a trust relating to the Government of Ontario's Fair Hydro Plan, you have requested a copy of KPMG LLP's ("**KPMG**") Memorandum to File dated July 25, 2017 regarding the adoption of regulated rate accounting by the Independent Electricity System Operator ("**IESO**") and the concerns therewith identified by the Auditor General of Ontario (the "**Document**").

KPMG is prepared to consent to IESO providing you with a copy of the Document subject to your 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 Recipient may place on the Document.

You should note that we have not sought to update the Document for events subsequent to July 25, 2017 and significant events may well have occurred since that date.

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

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

KPMG

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 Recipient;

c) The Document is not provided pursuant to any agreement or other arrangement of a contractually binding nature between our firm and the Recipient;

d) The Recipient does not acquire any rights against our firm or otherwise as a result of our agreement to disclose the Document to the Recipient;

e) Our firm and personnel do not have any duties, responsibilities, liabilities or obligations to the Recipient relating to the Document; and

f) The Recipient will not commence any action, suit or proceeding or make any demand, complaint or claim against us relating to the Document.

Also, in the event of a claim against KPMG or its personnel which arises out of or relates to our providing access to the Document by the Recipient, the Recipient will indemnify and hold harmless KPMG, its partners and personnel from all such claims, liabilities, damages, costs and expenses.

Further the Recipient agrees that the Document will be maintained by it in strict confidence and not disclosed to any other party except as required by applicable law, regulation or order of a court, will be used by it only in connection with purpose described above, and that the Recipient will notify KPMG promptly of any request received by Recipient 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

KPMG LLP

Michel Picard
Partner

* *

KPMG

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

By: Andrew Maciel

Name: ______________________
Signature

Title: Managing Director

Date: November 20, 2017