

FORM 51-102F3

Material Change Report

Item 1 Name and Address of Company

Ontario Power Generation Inc. ("OPG")
700 University Ave.
Toronto, Ontario
M5G 1X6

Item 2 Date of Material Change

May 25, 2006

Item 3 News Release

A news release announcing the material change (attached hereto as Appendix 1) was released by OPG and disseminated to all Ontario daily newspapers by Canada News Wire on May 30, 2006. It was also posted to the Canada News Wire website.

Item 4 Summary of Material Change

On May 25, 2006, Standard & Poor's announced that it has raised OPG's short-term Canadian scale Commercial Paper (CP) debt rating to 'A-1 (Low)' from 'A-2'.

Item 5 Full Description of Material Change

The material change is described in the attached press release which is hereby incorporated by reference herein.

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

Not applicable.

Item 7 Omitted Information

No significant facts remain confidential in, and no information has been omitted from, this report.

Item 8 Executive Officer

For further information, please contact Media Relations at 416-592-4008 or Investor Relations at 416-592-6700.

Item 9 Date of Report

June 2, 2006

Appendix 1

May 30, 2006

ONTARIO POWER GENERATION'S SHORT-TERM CREDIT RATING UPGRADED BY STANDARD AND POOR'S

[Toronto]: Standard & Poor's (S&P) has recognized Ontario Power Generation's (OPG) improving performance and prospects and announced that it has raised OPG's short-term Canadian scale Commercial Paper (CP) debt rating to 'A-1(Low)' from 'A-2'. At the same time, S&P affirmed OPG's 'BBB+' long-term corporate credit rating and 'A-2' global scale CP rating. The outlook is positive.

In making its announcement, S&P said the change in the short-term rating reflects: a significant improvement in OPG's ability to manage cash flow pressures, a formal process for project review and for obtaining financing from the Ontario Electricity Financial Corporation (OEFC), and a reduction in intra-month cash volatility through better working capital management. For more information refer to the S&P press release of May 25.

The announcement follows S&P's decision on September 27, 2005 to affirm OPG's long-term corporate credit rating at 'BBB+' and revise its outlook to "positive" from "developing".

Ontario Power Generation Inc. is an Ontario-based electricity generation company whose principal business is the generation and sale of electricity in Ontario. Our focus is on the efficient production and sale of electricity from our generation assets, while operating in a safe, open and environmentally responsible manner.