



## Our Company

Ontario Power Generation Inc. is an Ontario-based electricity generation company whose principal business is the generation and sale of electricity in Ontario and to interconnected markets. 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.

## Strategic Priorities

OPG's corporate strategy is based on the following key initiatives:

- Improve generating asset performance through production efficiencies and increased reliability;
- Contribute to new electricity supply in Ontario;
- Effectively manage costs; and
- Strengthen corporate governance.

## First Quarter 2005 in Review

- On May 2, 2005, OPG's Board of Directors appointed Jim Hankinson as President and CEO of Ontario Power Generation. Mr. Hankinson has been a Board member of OPG since December 2003. Mr. Hankinson's appointment is effective May 13, 2005.
- The Market Power Mitigation rebate program that was put in place in May 2002 ended on March 31, 2005. During this period, OPG rebated over \$4 billion to Ontario electricity consumers.
- The Pickering A Unit 1 return to service project remains on schedule for completion of the major construction phase between early June and mid-July. The unit will then undergo a three-month commissioning phase before being declared in service. Total costs to complete the project is expected to be approximately \$1 billion.
- Ontario's new rate regulations effective April 1, 2005 is estimated to result in an operating cash shortfall to OPG of approximately \$600 million during the 13 month period of April 1, 2005 through April 30, 2006. In March 2005, OPG reached an agreement with its shareholder to obtain additional financing up to \$600 million which is available until March 31, 2006. In April 2005, \$400 million was drawn down under this facility with a seven year term.
- On April 30, 2005, OPG's Lakeview generation station closed operations permanently.

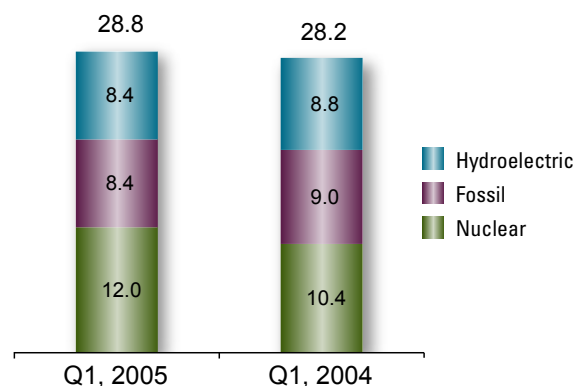
## Debt Ratings

	Long Term Debt	Commercial Paper	Outlook
S&P	BBB+	A-2 (Cdn)	Developing
DBRS	A (low)	R-1 (low)	Developing

## Financial Highlights

- Electricity generated of 28.8 TWh in the first quarter of 2005 was higher than first quarter 2004 generation of 28.2 TWh. Improved nuclear performance resulted in nuclear generation of 12 TWh—a 15% increase from the first quarter of 2004. Hydroelectric production decreased by 0.4 TWh due to lower water levels and Fossil generation decreased by 0.6 TWh as it was displaced by the increased production from OPG's low marginal cost nuclear stations.
- OPG reported a net loss of \$38 million in the first quarter of 2005 which included an after-tax impairment loss of \$133 million on its dual-fired Lennox generation station as a result of the station being unable to recover its carrying value in the wholesale electricity market in the future. Excluding the impairment loss, after-tax income for the quarter was \$95 million compared to net income of \$64 million in the first quarter of 2004 primarily due to an improvement in gross margin.

## Electricity Sold (TWh)

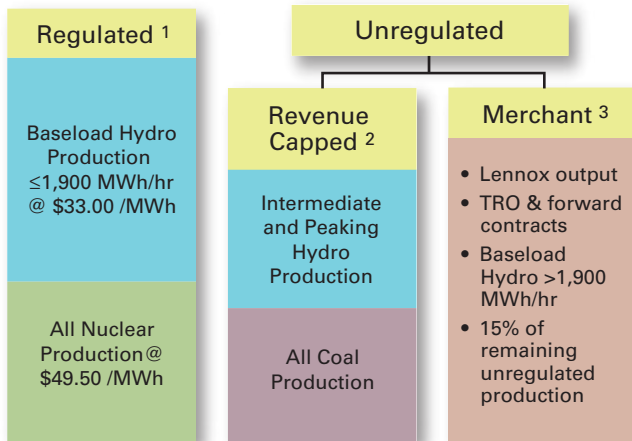


## Financial Results

(\$Millions unless otherwise noted)	For the Three Months Ended	
	March 31, 2005	March 31, 2004
Electricity generated (TWh)	28.8	28.2
Revenue before rebate	1,770	1,791
MPMA rebate	(412)	(441)
Net revenue	1,358	1,350
Fuel	310	338
Gross margin	1,048	1,012
OM&A, other expenses and taxes	953	948
After-tax Income before impairment charge	95	64
After-tax Impairment loss	(133)	---
Net (loss) income	(38)	64
Capital expenditures	134	96
(\$Millions unless otherwise noted)	March 31, 2005	Dec. 31, 2004
Total Assets	19,998	19,830
Total Debt	3,498	3,404
Shareholders Equity	4,983	5,021
Total Debt/Total Capitalization (%)	41.2	40.4



## OPG's Current Regulatory Structure



<sup>1</sup> Avg. Price \$45 /MWh from April 1, 2005 to no earlier than April 1, 2008

<sup>2</sup> ~85% of production capped @ \$47/MWh to April 30, 2006

<sup>3</sup> All production receives market clearing price

## Generation Data

	Stations	As at Dec. 31, 2004 Capacity (MW)	2004 Energy (TWh)
<b>Nuclear</b>			
Darlington	1	3,524	26.5
Pickering B	1	2,064	12.5
Pickering A - Unit 4	1	515	3.3
- Unit 1*		515	---
- Units 2 & 3*		1,030	---
	3	7,648	42.3
<b>Fossil</b>			
Nanticoke	1	3,938	14.4
Lennox	1	2,140	0.6
Lambton	1	1,975	7.7
Lakeview **	1	1,140	2.3
Thunder Bay	1	310	1.0
Atikokan	1	215	1.0
	6	9,718	27.0
<b>Hydroelectric by Plant Group</b>			
Ottawa St. Lawrence	10	2,571	13.0
Niagara	5	2,326	11.9
Northeast	10	1,277	5.2
Northwest	10	661	4.9
	35	6,835	35.0
<b>Eco-Logo™ Certified Green Power</b>			
Hydroelectric	29	127	0.7
Wind	3	7	---
	32	134	0.7
<b>Total</b>	<b>76</b>	<b>24,335</b>	<b>105.0</b>

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**Total 76 24,335 105.0**

\* Unit 1 is being returned to service while Units 2 & 3 are currently laid-up.

\*\* The Lakeview station was taken out of service on April 30, 2005.

## Generating Assets



## 21,650 MW of In-Service Capacity as of May 1, 2005

- 3 nuclear stations (6,103 MW)
- 5 fossil-fueled stations (8,578 MW)
- 36 hydroelectric stations (6,835 MW)
- 29 EcoLogo™ Certified green power hydroelectric stations (127 MW)
- 3 wind power stations (7 MW)  
(includes OPG's 50 per cent interest in the Huron Wind joint venture)