

ONTARIO POWER GENERATION First Quarter Fact Sheet



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. OPG operates 64 hydroelectric, 5 fossil, 3 nuclear and 3 wind generating stations. At March 31, 2006, OPG had an in-service capacity of 22,187 MW, assets of \$21.6 billion, debt of \$3.6 billion and equity of \$5.6 billion.

Strategic Priorities

OPG's mandate is to cost effectively produce electricity from its nuclear, hydroelectric and fossil generating stations, while operating in a safe, open and environmentally responsible manner. To accomplish this mandate, OPG will:

- operate the Darlington and Pickering nuclear stations in a cost effective manner while undertaking prudent investments to improve their reliability and predictability;
- optimize production from its 64 hydroelectric stations as well as expand, develop, and improve its hydroelectric capacity on its own or in partnership with external parties;
- maintain the productive capability of its four remaining coal fired generating stations while operating them in an environmentally responsible manner until their scheduled closure; and
- operate in accordance with the highest standards of corporate governance, safety, social responsibility and corporate citizenship.

First Quarter 2006 in Review

- To address the urgent electricity needs of downtown Toronto, the Ministry of Energy has directed the Ontario Power Authority to negotiate an agreement with Portlands Energy Centre (PEC), to develop a 550 MW gas-fired station. PEC is a partnership between OPG and TransCanada Energy Ltd. The plant will be commissioned in two phases, with 330 MW of capacity available by mid 2008 and another 220 MW available during 2009.
- Approximately 85% of the production from OPG's fossil-fuelled and non-baseload hydroelectric generating assets has been subject to a revenue limit based on an average price of 4.7¢/kWh. This revenue limit was originally established for a period of 13 months ending April 30, 2006. During the first quarter, this limit was extended for an additional three years. Starting May 1, 2006, the revenue limit decreased to 4.6¢/kWh from the previous limit of 4.7¢/kWh. On May 1, 2007, the revenue limit will return to 4.7¢/kWh and increase to 4.8¢/kWh effective May 1, 2008.

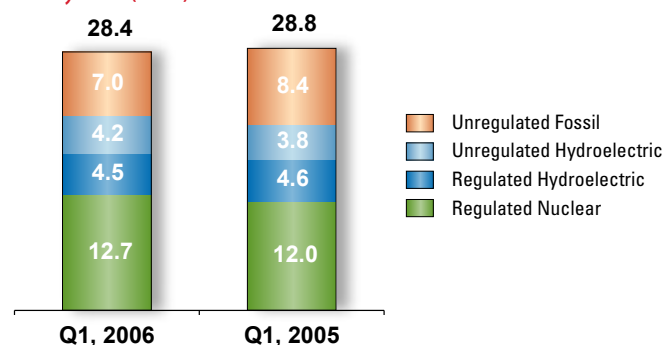
Debt Ratings

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

Financial Highlights

- Electricity generated of 28.4 TWh in the first quarter of 2006 was slightly lower than first quarter 2005 generation of 28.8 TWh. Improved nuclear performance resulted in nuclear generation of 12.7 TWh, a 6% increase over the first quarter of 2005. Hydroelectric reliability improved resulting in increased production over the first quarter of 2005. Although the reliability of OPG's fossil stations improved, lower Ontario electricity demand caused by a warmer than normal winter resulted in reduced fossil production.
- OPG's net income in the first quarter of 2006 was \$199 million. This compares with a net loss of \$38 million in Q1, 2005 which included an after-tax impairment loss of \$133 million on OPG's dual-fired Lennox generating station as a result of the station being unable to recover its carrying value in the wholesale electricity market in the future. First quarter 2006 earnings were favourably impacted by an increase in gross margin from electricity sales due to an increase in OPG's average sales price compared to the same period in 2005, partly offset by an increase in pension and other post employment benefit costs primarily caused by changes in economic assumptions.

Electricity Sold (TWh)



Financial Results

| (\$ millions unless otherwise noted) | For the Three Months Ended | |
|--------------------------------------|----------------------------|----------------|
| | March 31, 2006 | March 31, 2005 |
| Electricity generated (TWh) | 28.4 | 28.8 |
| Revenue after rebates | 1,508 | 1,358 |
| Fuel expense | 278 | 310 |
| Gross Margin | 1,230 | 1,048 |
| OM&A | 650 | 587 |
| Other expenses | 237 | 262 |
| Operating Income | 343 | 199 |
| Impairment of long lived assets | 0 | 202 |
| Net Interest expense & taxes | 144 | 35 |
| Net (loss) Income | 199 | (38) |
| Capital expenditures | 114 | 133 |
| (\$ millions unless otherwise noted) | March 31, 2006 | Dec. 31, 2005 |
| Total Assets | 21,583 | 21,623 |
| Total Debt | 3,594 | 3,895 |
| Shareholder's Equity | 5,586 | 5,387 |
| Total debt/Total capitalization (%) | 39.2 | 42.0 |

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Generation Data

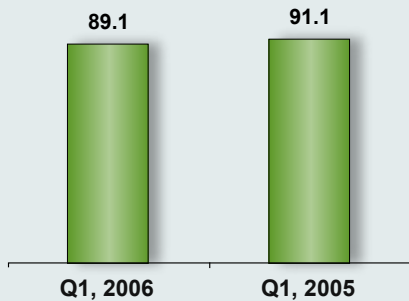
| | As at March 31, 2006 Capacity (MW) | 2005 Energy (TWh) |
|----------------------------------|---------------------------------------|----------------------|
| Regulated Nuclear | | |
| Darlington | 3,512 | 27.6 |
| Pickering B | 2,064 | 13.9 |
| Pickering A * | 1,030 | 3.5 |
| | 6,606 | 45.0 |
| Regulated Hydroelectric | | |
| Saunders Station | 1,045 | 6.6 |
| Niagara Plant Group | 2,338 | 11.9 |
| | 3,383 | 18.5 |
| Unregulated Hydroelectric | | |
| Ottawa St. Lawrence | 1,526 | 5.0 |
| Northeast | 1,304 | 4.1 |
| Northwest | 664 | 4.5 |
| Evergreen Energy | 119 | 0.5 |
| | 3,613 | 14.1 |
| Unregulated Fossil | | |
| Nanticoke | 3,938 | 17.6 |
| Lennox | 2,140 | 1.3 |
| Lambton | 1,975 | 9.4 |
| Lakeview ** | -- | 0.6 |
| Thunder Bay | 310 | 1.0 |
| Atikokan | 215 | 1.0 |
| | 8,578 | 30.9 |
| Wind | 7 | -- |
| Total | 22,187 | 108.5 |

* Units 2 & 3 at Pickering A are being placed in safe storage.

** The coal-fired Lakeview station was taken out of service on April 30, 2005.

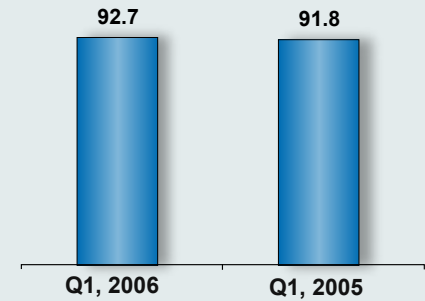
Generation Performance

Regulated Nuclear Capability Factor (%)

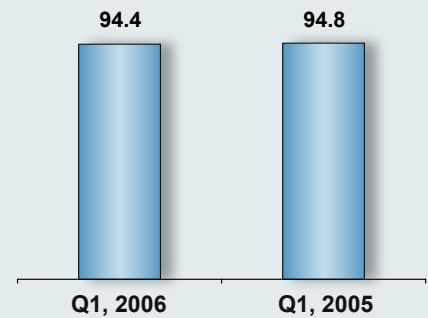


Capability Factor represents actual energy generated, adjusted for external constraints such as transmission or demand limitations, as a percentage of potential maximum generation over a specified period.

Regulated Hydroelectric Availability (%)

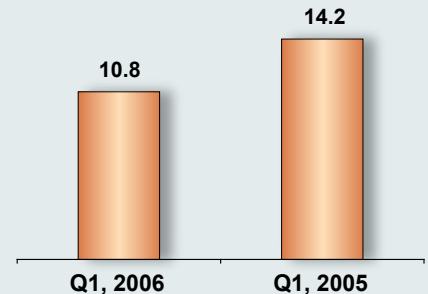


Unregulated Hydroelectric Availability (%)



Availability represents the amount of time that units are capable of producing electricity as a percentage of the total time for a respective period.

Fossil EFOR (%)



Equivalent Forced Outage Rate (EFOR) represents the amount of time that units are forced out of service as a percentage of the amount of time available to operate.