



2007



## ONTARIO POWER GENERATION Second Quarter FACT SHEET

### Our Company

Ontario Power Generation Inc. is an electricity generating company whose principal business is the generation and sale of electricity in Ontario. OPG operates 64 hydroelectric, 3 nuclear and 5 fossil generating stations. At June 30, 2007, OPG had an in-service generating capacity of 22,147 MW, assets of \$23.9 billion, long-term debt of \$3.4 billion and equity of \$6.6 billion.

### Strategic Priorities

OPG's mandate is to cost effectively produce electricity from its diversified generation assets, while operating in a safe, open and environmentally responsible manner. To accomplish its mandate, OPG is focused on the following four corporate strategies:

- Improving the performance of its existing hydroelectric, nuclear and fossil-fuelled generating assets;
- Increasing its generating capacity by expanding and redeveloping existing hydroelectric sites, and exploring and developing, where feasible, natural gas and nuclear opportunities in Ontario;
- Operate on a financially sustainable basis by optimizing the utilization of available resources, maximizing funds from operations, implementing effective cost management initiatives, and maintaining the value of its assets for its shareholder; and
- Achieving excellence in corporate governance, safety, social responsibility, corporate citizenship and environmental stewardship.

### Second Quarter 2007 in Review

- The reliability of OPG's fossil stations has improved considerably over the past four years. Overall hydroelectric availability as well as the reliability of the Darlington nuclear station is near historically high levels. As a result of unplanned outages at the Pickering A and B nuclear stations, year to date 2007 availability was lower than 2006.
- As a result of slower than planned progress through a section of the Niagara tunnel, the contractor's forecast completion date has been delayed from late 2009 to mid-2010. This timing is, however, within the original schedule approved by OPG's Board of Directors.
- Construction of the new 12.5 MW Lac Seul hydroelectric station has been slightly delayed as a result of the replacement of a major sub-contractor, and is now expected to be in-service in Q1 2008, rather than the end of 2007.
- Construction on the Portlands Energy Centre remains on schedule and the station is expected to begin operating in a simple cycle mode June 2008 with full function by Q2 2009.
- A project description has been submitted to the CNSC as part of determining environmental assessment requirements for new nuclear generating units on the site of the Darlington nuclear station.

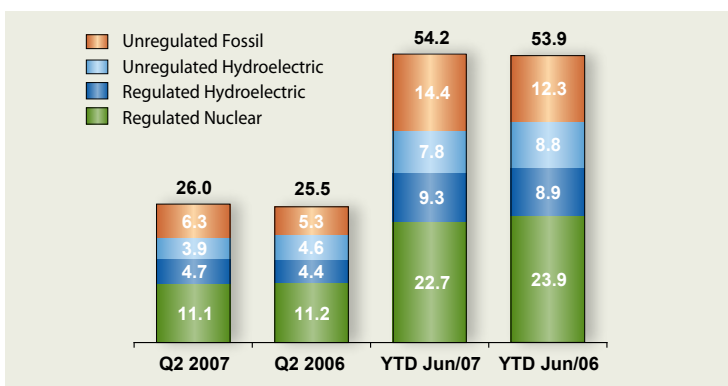
### Debt Ratings

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

### Financial Highlights

- Electricity generated in the second quarter of 2007 of 26.0 TWh exceeded Q2, 2006 generation of 25.5 TWh as a result of higher fossil production partially offset by marginally lower hydroelectric production.
- Electricity generated for the six months ended June 30, 2007 of 54.2 TWh was slightly higher than production of 53.9 TWh in the same period last year as a result of higher fossil production that was partially offset by lower nuclear production due to unplanned outages at Pickering, and marginally lower hydroelectric production.
- Net income for the second quarter of 2007 of \$125 M was lower than Q2, 2006 net income of \$143 M. Net income for the six months ended June 30, 2007 of \$296 M was lower than net income of \$342 M in the same period last year. Second quarter and year to date net income was unfavorably affected by an unfavorable generation mix, and higher fuel and maintenance and repair costs. These factors were partially offset by higher earnings from the nuclear fixed asset removal and waste management funds, and lower depreciation expense.

### Electricity Sold (TWh)



### Financial Results

(\$ millions unless otherwise noted)	Three Months Ended		Six Months Ended	
	Jun 30/07	Jun 30/06	Jun 30/07	Jun 30/06
Revenue After Rebate	1,373	1,345	2,897	2,853
Fuel Expense	298	243	626	521
Gross Margin	1,075	1,102	2,271	2,332
OM&A	776	678	1,470	1,318
Other Expenses	106	229	354	476
Operating Income	193	195	447	538
Net Interest Expense & Taxes	68	52	151	196
Net Income	125	143	296	342
Capital Expenditures	163	120	297	234
(\$ millions unless otherwise noted)			Jun 30/07	Dec 31/06
Total Assets			23,922	22,750
Total Debt			3,366	3,359
Shareholder's Equity			6,608	5,749
Total Debt/Total Capitalization (%)			33.7	36.9



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### Generation Data

	As at June 30, 2007 Capacity (MW)	2006 Energy (TWh)
<b>Regulated Nuclear</b>		
Darlington	3,512	27.0
Pickering B	2,064	13.5
Pickering A *	1,030	6.4
	6,606	46.9
<b>Regulated Hydroelectric by Plant group</b>		
R.H. Saunders Station	1,045	6.8
Niagara Plant Group	2,287	11.5
	3,332	18.3
<b>Unregulated Hydroelectric by Plant group</b>		
Ottawa St. Lawrence	1,526	6.4
Northeast	1,314	4.6
Northwest	669	3.5
Evergreen Energy	120	0.6
	3,629	15.0
<b>Unregulated Fossil</b>		
Nanticoke	3,960	16.2
Lennox	2,120	0.3
Lambton	1,976	6.9
Thunder Bay	306	0.9
Atikokan	211	0.7
	8,573	25.0
<b>Wind</b>	<b>7</b>	<b>--</b>
<b>Total</b>	<b>22,147</b>	<b>105.2</b>

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

### Generation Performance

