



2007



## ONTARIO POWER GENERATION Third 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 September 30, 2007, OPG had an in-service generating capacity of 22,157 MW, assets of \$24.2 billion, long-term debt of \$3.4 billion and equity of \$6.7 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.

### Third Quarter 2007 in Review

- OPG plans to submit a rate application for its regulated assets to the Ontario Energy Board in Q4, 2007. In November, OPG held pre-submission consultation sessions to inform stakeholders about OPG's regulated facilities and to discuss issues related to its application for new payment amounts.
- The Niagara tunnel project is progressing. The tunnel boring machine reached 1,028 metres at the end of September. Due to fractured rock conditions, some uncertainty remains with respect to the project completion date until the boring machine passes through this section of rock and reaches 2,300 metres.
- Construction of the new 12.5 MW Lac Seul hydroelectric station has been delayed as a result of the replacement of a major sub-contractor. Project completion is now expected in Q2, 2008.
- Construction of the Portlands Energy Centre remains on budget and on schedule, and is expected to begin operating in a simple cycle mode in June 2008, and in a combined cycle mode by Q2, 2009.
- Work on the feasibility study relating to the Pickering B nuclear station refurbishment is proceeding. OPG and Bruce Power are jointly undertaking an assessment of the potential nuclear technologies which might be deployed in Ontario.

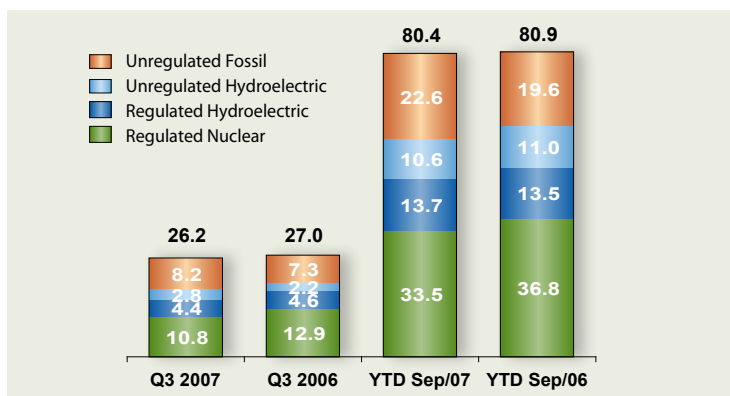
### Debt Ratings

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

### Operational & Financial Highlights

- Electricity generated in the third quarter of 2007 of 26.2 TWh was slightly less than Q3, 2006 generation of 27.0 TWh mainly as a result of unplanned outages at Pickering A. The performance and reliability of OPG's hydroelectric and fossil stations, and the Darlington station have continued to improve.
- Electricity generated for the nine months ended September 30, 2007 of 80.4 TWh was marginally lower than production of 80.9 TWh in the same period last year as lower generation from the Pickering A and B stations was largely offset by higher production from OPG's fossil stations.
- Net income for the third quarter of 2007 of \$113 M was lower than Q3, 2006 net income of \$167 M. Net income for the nine months ended September 30, 2007 of \$409 M was lower than net income of \$509 M in the same period last year. Third quarter and year to date net income were primarily affected by lower generation at the Pickering stations and higher nuclear and fossil maintenance expenses. 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 |           | Nine Months Ended |           |
|--------------------------------------|--------------------|-----------|-------------------|-----------|
|                                      | Sep 30/07          | Sep 30/06 | Sep 30/07         | Sep 30/06 |
| Revenue After Rebate                 | 1,421              | 1,435     | 4,318             | 4,288     |
| Fuel Expense                         | 336                | 310       | 962               | 831       |
| Gross Margin                         | 1,085              | 1,125     | 3,356             | 3,457     |
| OM&A                                 | 689                | 628       | 2,159             | 1,946     |
| Other Expenses                       | 220                | 232       | 574               | 706       |
| Operating Income                     | 176                | 265       | 623               | 803       |
| Net Interest Expense & Taxes         | 63                 | 98        | 214               | 294       |
| Net Income                           | 113                | 167       | 409               | 509       |
| Capital Expenditures                 | 179                | 188       | 476               | 422       |
| (\$ millions unless otherwise noted) |                    |           | Sep 30/07         | Dec 31/06 |
| Total Assets                         |                    |           | 24,168            | 22,750    |
| Total Debt                           |                    |           | 3,404             | 3,359     |
| Shareholder's Equity                 |                    |           | 6,703             | 5,749     |
| Total Debt/Total Capitalization (%)  |                    |           | 33.7              | 36.9      |



2007



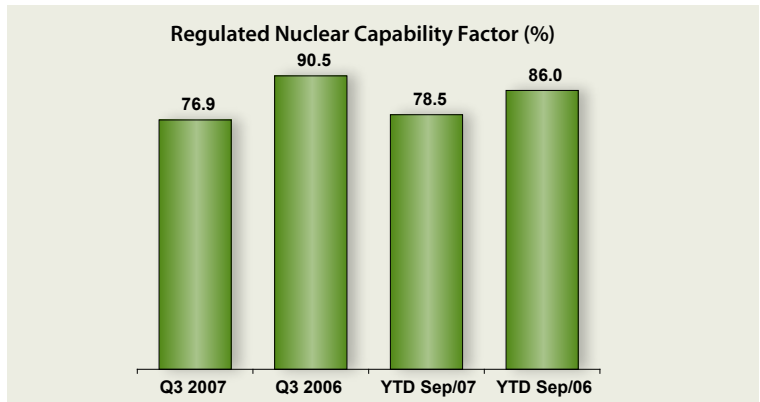
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## Generation Data

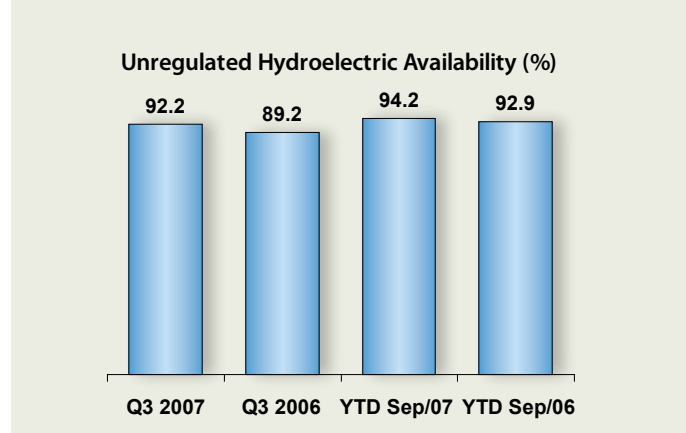
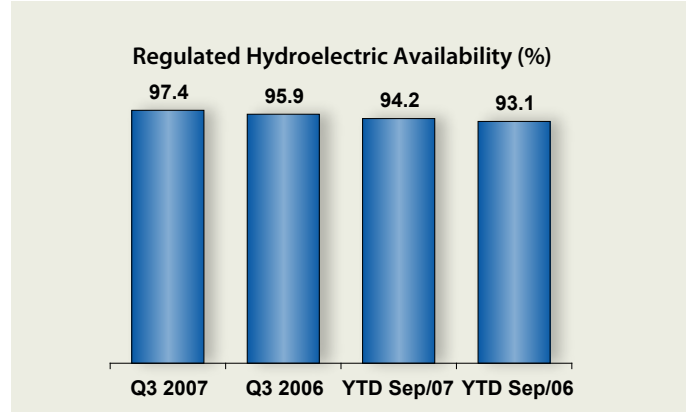
|   | As at Sept 30, 2007<br>Capacity (MW) | 2006<br>Energy (TWh) |
|---|--------------------------------------|----------------------|
| <b>Regulated Nuclear</b>                        |                                      |                      |
| Darlington                                      | 3,512                                | 27.0                 |
| Pickering B                                     | 2,064                                | 13.5                 |
| Pickering A *                                   | 1,030                                | 6.4                  |
|   | <b>6,606</b>                         | <b>46.9</b>          |
| <b>Regulated Hydroelectric by Plant group</b>   |                                      |                      |
| R.H. Saunders Station                           | 1,045                                | 6.8                  |
| Niagara Plant Group                             | 2,287                                | 11.5                 |
|   | <b>3,332</b>                         | <b>18.3</b>          |
| <b>Unregulated Hydroelectric by Plant group</b> |                                      |                      |
| Ottawa St. Lawrence                             | 1,526                                | 6.4                  |
| Northeast                                       | 1,324                                | 4.6                  |
| Northwest                                       | 669                                  | 3.5                  |
| Evergreen Energy                                | 120                                  | 0.6                  |
|   | <b>3,639</b>                         | <b>15.0</b>          |
| <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                  |
|   | <b>8,573</b>                         | <b>25.0</b>          |
| <b>Wind</b>                                     | <b>7</b>                             | <b>--</b>            |
| <b>Total</b>                                    | <b>22,157</b>                        | <b>105.2</b>         |

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

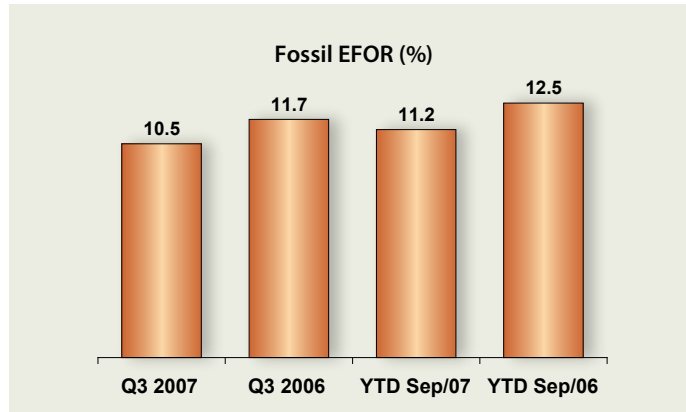
## Generation Performance



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.



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



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.