

November 16, 2007

ONTARIO POWER GENERATION REPORTS 2007 THIRD QUARTER FINANCIAL RESULTS

[Toronto]: Ontario Power Generation Inc. ("OPG" or the "Company") today reported its financial and operating results for the third quarter and nine months ended September 30, 2007. Net income for the three months ended September 30, 2007 was \$113 million compared to net income of \$167 million for the same period in 2006. For the nine months ended September 30, 2007, net income was \$409 million compared to \$509 million for the same period last year.

"Over the first nine months of 2007, performance, in terms of production and reliability of OPG's fossil and hydroelectric stations as well as the Darlington nuclear station, has continued to improve. The Pickering A and B stations have experienced a number of operational and technical issues that have unfavourably affected their performance. Our financial results are somewhat lower than in 2006 as a result of lower generation at the Pickering A station, and higher planned maintenance expenditures on the nuclear and fossil stations," said President and CEO Jim Hankinson.

"Under the system established by the Ontario government for setting the prices received for electricity production from OPG's regulated assets, the Company plans to submit a rate application to the Ontario Energy Board during the fourth quarter of 2007," said Mr. Hankinson. OPG's regulated assets include its nuclear stations, and the hydroelectric stations on the Niagara and St. Lawrence rivers.

During the third quarter of 2007, OPG received an average price of 4.7¢/kilowatt hour ("kWh") for the output from all of its generating stations. This was lower than the weighted average Ontario spot market electricity price of 5.1¢/kWh during the quarter. In comparison, during the third quarter of 2006, OPG received an average price of 4.7¢/kWh compared to the weighted average Ontario spot market electricity price of 4.9¢/kWh. OPG's average price reflects regulated prices for production from its nuclear and baseload hydroelectric generating assets, as well as spot market prices, subject to a revenue limit, for the majority of its remaining production.

Electricity generation of 26.2 terawatt hours ("TWh") in the third quarter of 2007 was marginally lower than third quarter 2006 production of 27.0 TWh. Nuclear production of 10.8 TWh was lower than third quarter 2006 production of 12.9 TWh mainly due to unplanned outages at the Pickering A station. Hydroelectric production of 7.2 TWh was marginally higher than production of 6.8 TWh in 2006. Production from OPG's fossil stations of 8.2 TWh in the third quarter of 2007 reflected an increase over third quarter 2006 production of 7.3 TWh. For the nine months ended September 30, 2007, total production from OPG's generating stations was 80.4 TWh compared to 80.9 TWh for the same period in 2006.

Availability factors at OPG's fossil and hydroelectric stations and the Darlington nuclear station remain near historically high levels. As a result of unplanned outages at the Pickering A and B nuclear stations, availability factors for the third quarter and nine months ended September 30, 2007 were lower than the same periods in 2006.

Earnings during the three months ended September 30, 2007 were primarily affected by lower generation from OPG's Pickering A nuclear station, and higher nuclear and fossil

maintenance expenses. This reduction was partly offset by higher fossil and unregulated hydroelectric generation, and an increase in non-electricity generation revenue.

Earnings during the nine months ended September 30, 2007 were mainly affected by lower generation from OPG's Pickering nuclear stations, and higher nuclear and fossil maintenance expenses. This effect was partly offset by an increase in earnings from the nuclear waste management funds, an increase in non-electricity generation revenue, higher fossil generation, and lower depreciation expense primarily due to the extension of the service lives of the coal-fired generating stations for accounting purposes.

During the third quarter of 2007, OPG continued to progress the following electricity generation projects aimed at increasing Ontario's long-term electricity supply:

- The 10.4 kilometre Niagara tunnel will increase the amount of water flowing to existing turbines at the Sir Adam Beck generating stations in Niagara Falls. At September 30, 2007, the tunnel boring machine had advanced 1,028 metres. Progress of the tunnel boring machine through a fractured rock formation has been slower than expected. Uncertainty remains with respect to the schedule until the tunnel boring machine advances sufficiently beyond the St. David's Gorge (to approximately 2,300 metres) and establishes consistent tunneling performance. The project is still expected to be completed within the budgeted cost estimate of \$985 million;
- Construction of a new 12.5 megawatt ("MW") Lac Seul hydroelectric generating station on the English River which has been delayed as a result of various difficulties including the replacement of a major sub-contractor. Project completion is now expected to be in the second quarter of 2008. Total project costs are still expected to be within the budgeted cost estimate of \$47 million;
- Construction of the Portlands Energy Centre ("PEC"), a limited partnership between OPG and TransCanada Energy Ltd is progressing well. The project remains on schedule and the station is expected to be operating in a simple cycle mode with a capacity of up to 340 MW beginning June 1, 2008, and providing up to 550 MW of power in a combined cycle mode in the second quarter of 2009;
- OPG is undertaking a business case examination for the potential refurbishment and life extension of its Pickering B nuclear station. This examination includes a plant condition assessment, an Environmental Assessment, and an integrated safety review. OPG plans to make a recommendation on the feasibility of this project to its Board of Directors. Work concerning the potential refurbishment of the Darlington nuclear station started in the third quarter of 2007; and
- OPG initiated a federal approval process with the Canadian Nuclear Safety Commission ("CNSC") during 2006 for new nuclear generating units on the site of its Darlington nuclear generating station. In 2007, OPG has implemented initiatives in support of an environmental assessment, submitted a project description to the CNSC, and is undertaking a technology assessment.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

<i>(millions of dollars – except where noted)</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2007	2006	2007	2006
<i>Earnings</i>				
Revenue after revenue limit 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
Operations, maintenance and administration	689	628	2,159	1,946
Other expenses	257	279	676	853
Income tax expenses	26	51	112	149
Net income	113	167	409	509
<i>Cash flow</i>				
Cash flow provided by operating activities	248	307	723	306
<i>Electricity Generation (TWh)</i>				
Regulated – Nuclear	10.8	12.9	33.5	36.8
Regulated – Hydroelectric	4.4	4.6	13.7	13.5
Unregulated – Hydroelectric	2.8	2.2	10.6	11.0
Unregulated – Fossil-Fuelled	8.2	7.3	22.6	19.6
Total electricity generation	26.2	27.0	80.4	80.9
<i>Average electricity sales price¹ (¢/kWh)</i>				
Regulated – Nuclear ¹	4.9	4.9	4.9	4.9
Regulated – Hydroelectric ¹	3.5	3.6	3.5	3.5
Unregulated – Hydroelectric ²	4.7	4.6	4.7	4.7
Unregulated – Fossil-Fuelled ²	4.9	4.8	4.9	4.8
OPG average sales price	4.7	4.7	4.6	4.6
<i>Nuclear unit capability factor (per cent)</i>				
Darlington	96.3	94.5	91.4	89.8
Pickering A	-	82.9	41.5	86.1
Pickering B	82.0	87.5	74.7	79.2
<i>Equivalent forced outage rate (per cent)</i>				
Unregulated– Fossil-Fuelled	10.5	11.7	11.2	12.5
<i>Availability (per cent)</i>				
Regulated – Hydroelectric	97.4	95.9	94.2	93.1
Unregulated– Hydroelectric	92.2	89.2	94.2	92.9

¹ After April 1, 2005, electricity generation from stations in the Regulated – Nuclear segment receives a fixed price of 4.95¢/kWh and electricity generation from stations in the Regulated – Hydroelectric segment receives a fixed price of 3.3¢/kWh for the first 1,900 MWh of generation in any hour, and the Ontario spot electricity market price for generation above this level.

² Eighty-five per cent of the electricity generation from unregulated stations, excluding the Lennox generating station and other contract volumes, is subject to a revenue limit. During the period from April 1, 2005 to April 30, 2006, the revenue limit was set at 4.7¢/kWh. Starting May 1, 2006, the revenue limit decreased to 4.6¢/kWh and increased to 4.7¢/kWh effective May 1, 2007.

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.

Ontario Power Generation Inc.'s unaudited interim consolidated financial statements and Management's Discussion and Analysis as at and for the three and nine months ended September 30, 2007, can be accessed on OPG's website (www.opg.com), the Canadian Securities Administrators' website (www.sedar.com), or can be requested from the Company.

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