

Minister of Energy  
Hearst Block, 4th Floor  
900 Bay Street  
Toronto ON M7A 2E1  
Tel.: 416-327-6715  
Fax: 416-327-6754

Ministre de l'Énergie  
Édifice Hearst, 4e étage  
900, rue Bay  
Toronto ON M7A 2E1  
Tél.: 416-327-6715  
Téléc.: 416-327-6754



## **ONTARIO POWER GENERATION INC.**

**DECLARATION OF THE SOLE SHAREHOLDER REGARDING THE THUNDER BAY GENERATING STATION GAS CONVERSION PROJECT** made as of this 12<sup>th</sup> day of July, 2006.

**WHEREAS HER MAJESTY THE QUEEN IN THE RIGHT OF THE PROVINCE OF ONTARIO AS REPRESENTED BY THE MINISTER OF ENERGY** (the "Shareholder") is the registered and beneficial owner of all the issued and outstanding shares of Ontario Power Generation Inc. (the "Corporation").

**AND WHEREAS** the Shareholder has previously assumed, in accordance with its Unanimous Shareholder Declaration dated October 6, 2005, the decision making power regarding the conversion of the Thunder Bay Generating Station (the "Facility") from a generation facility fuelled by coal to a generation facility which is able to operate using a fuel source other than coal (the "conversion").

**AND WHEREAS** the Shareholder had, on October 6, 2005, issued a Unanimous Shareholder Resolution pursuant to the above-noted declaration, requiring the Corporation to take the necessary steps to successfully complete the conversion of the Facility, including authorizing the Corporation to enter into negotiations with Union Gas with a view to the concluding of a definitive contract between the parties in order to provide for a long-term and stable supply of natural gas to the Facility after the conversion.

**AND WHEREAS** the Shareholder, in light of its June 13<sup>th</sup>, 2006 Directive to the Ontario Power Authority in relation to the Integrated Power System Plan made pursuant to section 25.30 of the *Electricity Act, 1998*, has determined that it is no longer advisable for it to continue with the conversion.

**AND WHEREAS** the Shareholder makes the following declaration (the "Declaration") pursuant to subsection 108 (3) of the *Business Corporations Act* (Ontario) (the "Act") intending the same to be deemed to be a Unanimous Shareholder Agreement within the meaning of the Act.

**NOW THEREFORE BE IT DECLARED THAT:**

1. The Unanimous Shareholder Declaration dated October 6, 2005, together with the Unanimous Shareholder Resolution dated October 6, 2005 made pursuant to paragraph 1 of the above-noted declaration, shall be and are hereby together revoked as of the date hereof.
2. This Declaration shall not affect any action, step, resolution or by-law duly taken, made, passed or consented to by the Directors prior to the date of execution of this Declaration.
3. This Declaration shall be governed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein.

**IN WITNESS WHEREOF**, the Shareholder has duly executed this Declaration.

**HER MAJESTY THE QUEEN IN THE RIGHT  
OF THE PROVINCE OF ONTARIO AS  
REPRESENTED BY THE MINISTER OF  
ENERGY**

**ORIGINAL SIGNED BY**

By: \_\_\_\_\_  
Dwight Duncan  
Minister of Energy