



2015

ONTARIO POWER GENERATION

FACT SHEET YEAR IN REVIEW

OUR COMPANY

Ontario Power Generation Inc. (OPG) is an electricity generating company whose principal business is the generation and sale of electricity in Ontario. As Ontario's largest clean energy generator, OPG operates a diverse generation portfolio consisting of 2 nuclear, 65 hydroelectric stations, 3 thermal, and 1 wind power turbine. OPG also leases 2 other nuclear stations to Bruce Power and co-owns the Portlands Energy Centre gas-fired combined cycle station and the Brighton Beach gas-fired station. At December 31, 2015, OPG had an in-service generating capacity of 17,055 MW.

OPERATIONAL & FINANCIAL HIGHLIGHTS

- Total electricity generated decreased in 2015 to 78.0 TWh from 82.2 TWh in 2014. The decrease was mainly due to a planned four-unit outage at the Darlington nuclear generating station (GS) in 2015.
- Net income in 2015 was \$417 M, compared to \$811 M in 2014. OPG recognized an extraordinary gain of \$243 M in 2014 related to the 48 hydroelectric stations prescribed for rate regulation beginning in 2014. Lower 2015 earnings were also primarily due to lower nuclear production and higher OM&A expenses which were mainly due to the planned four-unit outage at the Darlington station in 2015, and higher electricity trading margins in 2014 as a result of an unseasonably cold winter. These factors were partly offset by the impact of the new regulated prices authorized by the Ontario Energy Board for the generation from OPG's rate regulated stations.
- In 2015, OPG made significant progress on several generation development projects, including:
 - The Darlington Refurbishment project, which will extend the station's operating life by approximately 30 years. In 2015, OPG's Board of Directors approved the total project budget for the four-unit refurbishment of \$12.8 B including capitalized interest and escalation. The refurbishment of the first unit is scheduled to commence in the fourth quarter of 2016, with the last unit completed by 2026.
 - The construction of a new 28 MW hydroelectric generating station, the Peter Sutherland Sr. GS, near the Abitibi River. Construction began in 2015. The project has a planned in-service date in the first half of 2018 and a total budget of \$300 M.

STRATEGIC PRIORITIES

OPG's mission is to provide low cost power in a safe, clean, reliable and sustainable manner for the benefit of its customers and its shareholder, the Province of Ontario. OPG seeks to pursue, on a commercial basis, generation development projects and other business growth opportunities. OPG is focused on the following four key strategic imperatives:

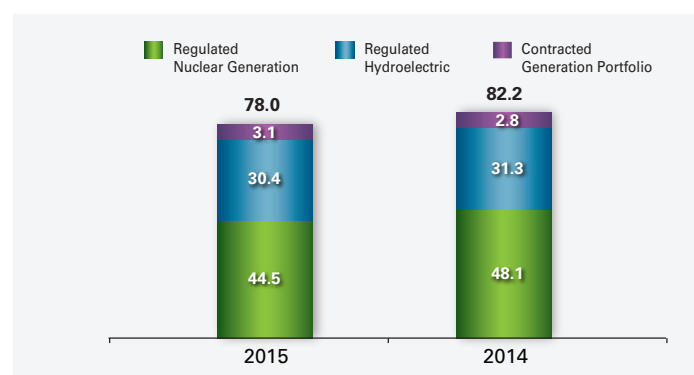
- **Performance Excellence** in workplace and public safety, electricity generation, cost effectiveness, and environmental stewardship.
- **Project Excellence** through investment in asset performance, refurbishment and new construction.

- **Financial Strength** by increasing revenue, reducing costs, achieving appropriate shareholder's return, and pursuing growth opportunities.
- **Social Licence** by maintaining public trust through high standards of public safety and corporate citizenship, including community engagement and Indigenous relations.

FINANCIAL RESULTS

	For the year ended December 31	
(\$ millions unless otherwise noted)	2015	2014
Revenue	5,476	4,963
Fuel Expense	687	641
Gross Margin	4,789	4,322
OM&A	2,783	2,615
Other Expenses	1,317	920
Income before interest, income taxes, and extraordinary gain	689	787
Net Interest Expense & Taxes	272	219
Extraordinary Gain	-	(243)
Net Income	417	811
Net Income attributable to the Shareholder	402	804
Capital Expenditures	1,376	1,545
Total Assets	44,302	41,645
Total Liabilities	34,257	32,178
Shareholder's Equity	10,045	9,467
Return On Common Equity Excluding Accumulated Other Comprehensive Income (%) 12-month rolling average	4.0	8.5

ELECTRICITY SOLD (TWh)





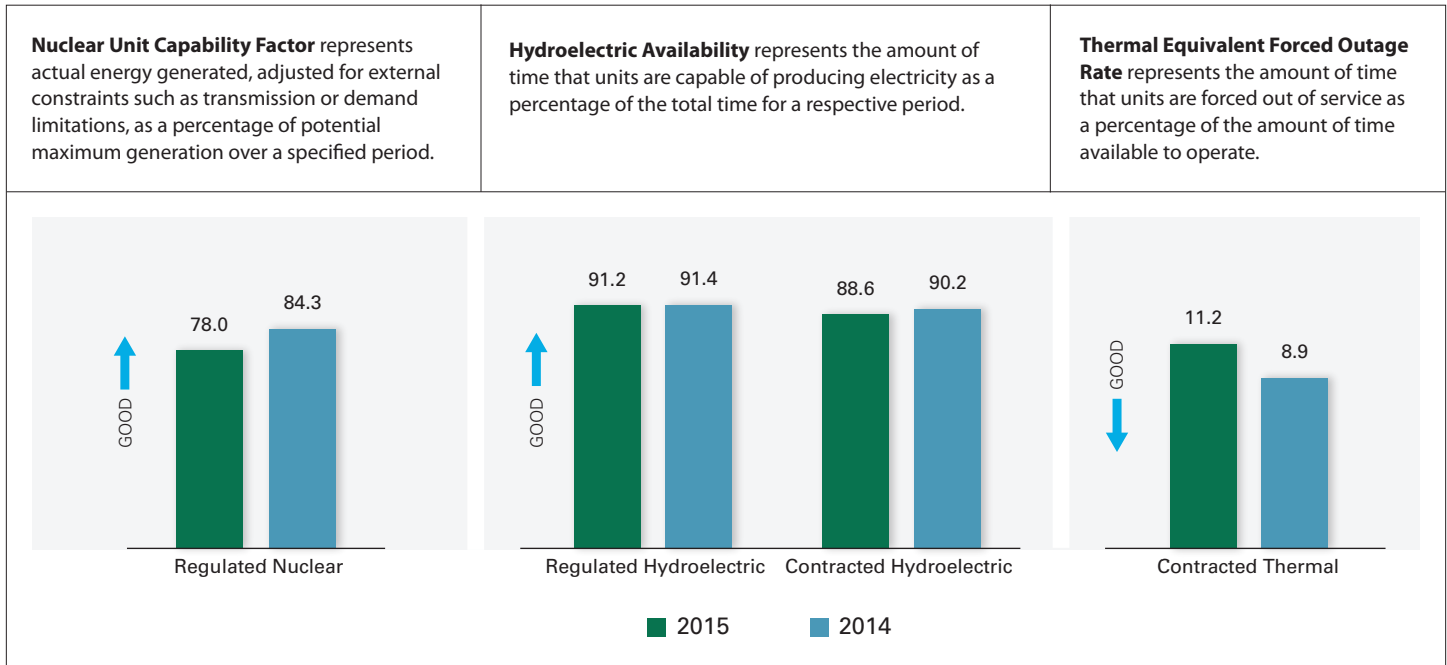
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GENERATION PERFORMANCE (%)



GENERATING CAPACITY

As of Dec 31, 2015
Capacity (MW)

Regulated - Nuclear Generation	
Darlington GS	3,512
Pickering GS	3,094
Total Regulated - Nuclear	6,606
Regulated - Hydroelectric	
Niagara	2,277
Eastern Ontario	2,571
Northeastern Ontario	818
Northwestern Ontario	657
Central Ontario	105
Total Regulated - Hydroelectric	6,428
Contracted Generation Portfolio	
Northeastern Ontario	959
Northwestern Ontario	29
Central Ontario	19
Total Contracted - Hydroelectric	1,007
Lennox GS	2,100
Thunder Bay GS	153
Atikokan GS	205
Portlands Energy Centre*	275
Brighton Beach*	280
Wind	1
Total Contracted - Thermal	3,014
Total Contracted Generation Portfolio	4,021
Total	17,055

* Represents OPG's 50% share of capacity

MAJOR PROJECTS

Project (\$millions)	Capital Expenditures as of Dec 31, 2015		Approved budget	Planned in-service date
	Year-to-date	Life-to-date		
Darlington Refurbishment	706	2,166	12,800 ¹	2026 ¹
Peter Sutherland Sr. GS	83	95	300	First half of 2018

¹ The total project budget of \$12.8 billion is for the refurbishment of the four units at the Darlington GS, with the last unit scheduled to be completed by 2026.

CREDIT RATINGS

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