

2013

ONTARIO POWER GENERATION

FACT SHEET YEAR IN REVIEW



OUR COMPANY

Ontario Power Generation Inc. is an electricity generating company whose principal business is the generation and sale of electricity in Ontario. OPG's generation portfolio consists of two nuclear, five thermal and 65 hydroelectric generating stations, and two wind power turbines. OPG leases two nuclear generating stations to Bruce Power. OPG also co-owns the Portlands Energy Centre and the Brighton Beach gas-fired generating station. At Dec. 31, 2013, OPG had an in-service generating capacity of 16,229 MW, assets of \$38.1 B, long-term debt of \$5.6 B, and equity of \$8.3 B.

OPERATIONAL & FINANCIAL HIGHLIGHTS

- Electricity generated in 2013 of 80.3 TWh decreased slightly from 83.7 TWh in 2012, mainly due to lower nuclear and thermal generation, partially offset by higher hydroelectric generation.
- Net income for 2013 was \$135 M compared to \$367 M for 2012, a decrease of \$232 M. The lower net income was primarily as a result of lower nuclear production, higher nuclear OM&A expenses, and higher OM&A expenses partly due to the recognition of severance costs. These unfavourable impacts were partially offset by lower salary costs due to headcount reductions, higher energy supply contract revenues, and higher unregulated hydroelectric revenues due to higher electricity spot market prices.
- OPG achieved significant progress on a number of generation development projects, including: investing in the continued operation of the six units at the Pickering GS; preparing for the refurbishment of the Darlington GS; converting the Atikokan GS to use biomass fuel; planning to convert the Thunder Bay GS to use advanced biomass fuel; and negotiating a power purchase agreement for the 25 MW New Post Creek hydroelectric GS. Two projects were completed ahead of schedule and under budget - the 10.2 km Niagara Tunnel and one unit at the Little Long GS.
- On Dec. 31, 2013, the Nanticoke and Lambton coal-fired stations were removed from service in accordance with the Shareholder declaration to cease the use of coal by the end of 2013.

STRATEGIC PRIORITIES

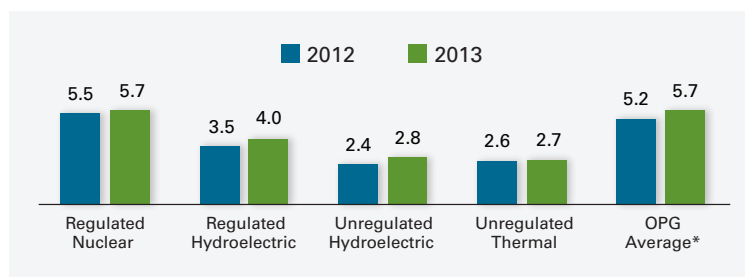
OPG's mandate is to reliably and cost-effectively produce electricity from its diversified portfolio of generating assets, while operating in a safe, open and environmentally responsible manner. To accomplish its mandate, OPG is focused on the following three corporate strategies:

- Performance Excellence in generation, safety, and the environment.
- Project Excellence in generation development through refurbishment/life extension, new construction, plant upgrades, or conversion to alternate fuels.
- Financial Sustainability by enhancing profitability through increased revenue, improved efficiency, lower costs, and cost effective financing of operations and projects.

FINANCIAL RESULTS

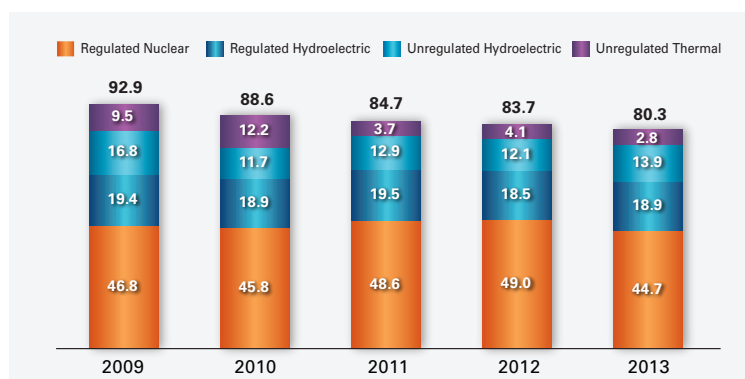
(\$ millions unless otherwise noted)	For the year ended December 31	
	2012	2013
Revenue	4,732	4,863
Fuel Expense	755	708
Gross Margin	3,977	4,155
OM&A	2,648	2,747
Other Expenses	778	1,156
Operating Income	551	252
Net Interest Expense & Taxes	184	117
Net Income	367	135
Capital Expenditures	1,427	1,568
Total Assets	37,601	38,091
Total Debt	5,114	5,625
Shareholder's Equity	7,904	8,334
Return On Equity (%) 12-month rolling average	4.2	1.5

AVERAGE SALES PRICES (¢/kWh)



* Includes revenues primarily from cost recovery agreements for the Nanticoke, Lambton and Lennox stations, and Hydroelectric Energy Supply Agreements

ELECTRICITY SOLD (TWh)



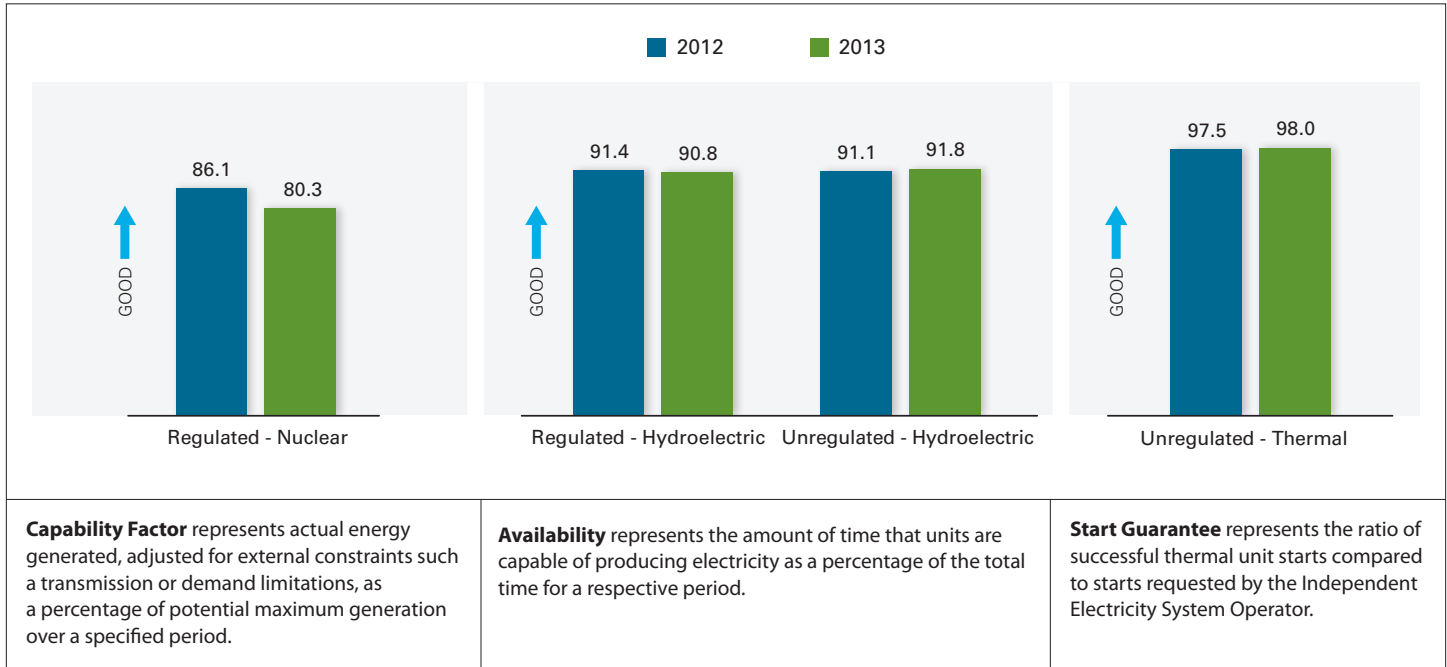
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GENERATION PERFORMANCE (%)



GENERATION DATA

	As of Dec 31, 2013 Capacity (MW)	2013 Energy (TWh)
Nuclear		
Darlington	3,512	25.1
Pickering B	2,064	13.7
Pickering A	1,030	5.9
	6,606	44.7
Hydroelectric by Plant Group		
Niagara	2,276	12.4
Ottawa / St. Lawrence	2,571	12.7
Northeast	1,345	3.4
Northwest	687	3.6
Central Hydro	125	0.7
	7,004	32.8
Thermal		
Nanticoke	0	1.3
Lennox	2,100	--
Lambton	0	1.5
Thunder Bay	306	--
Atikokan	211	--
	2,617	2.8
Wind		
	2	--
Total	16,229	80.3

MAJOR PROJECTS

Project	Total Capacity (MW)	Budget	In Service
Atikokan Generating Station ■ Convert to biomass fuel	200 MW	\$170 M	August 2014
Lower Mattagami ■ Increase capacity of 4 stations	Increase from 486 MW to 924 MW	\$2.6 B	June 2015

CREDIT RATINGS

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