2000
second quarter report

ONTARIO POWER GENERATION INC.

ONTARIO POWER GENERATION

THE COMPANY

Ontario Power Generation Inc. (the “Company”) is one of the largest electricity generators in North America with 69 hydroelectric, 6 fossil and 5 nuclear generating stations. As at June 30, 2000, total generating capacity of these stations was approximately 30,900 MW, consisting of 7,300 MW of hydroelectric generation capacity, 9,700 MW of fossil generation capacity and 13,900 MW of nuclear generation capacity of which 5,100 MW is laid up. The Company's principal business is the generation and sale of electricity in the Ontario wholesale market and in the interconnected markets of Quebec, Manitoba and the U.S. northeast and midwest.

The Company was incorporated on December 1, 1998 under the *Business Corporations Act* (Ontario). As part of the reorganization of Ontario Hydro under the *Electricity Act, 1998* and the related restructuring of the electricity industry in Ontario, the Company purchased and assumed certain assets, liabilities, employees, rights and obligations of the electricity generation business of Ontario Hydro (the "Acquired Business") on April 1, 1999 and commenced operations on that date.

HIGHLIGHTS - SECOND QUARTER 2000 OPERATING RESULTS

(millions of dollars unless otherwise stated)	Six Months Ended June 30, 2000	Three Months Ended June 30 2000	1999
Revenues	**$2,884**	**$1,399**	$1,378
Net income	**$345**	**$159**	$105
Operating cash flow	**$806**	**$68**	$30
Electricity sales volume (TWh)	**68.5**	**32.7**	32.6

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Message From the President and CEO

Ontario Power Generation reported net income of $345 million or $1.35 per common share for the six months ended June 30, 2000. Total revenues for the six months ended June 30, 2000 were $2,884 million from electricity sales of 68.5 TWh in the Ontario and interconnected markets. Cash flow from operating activities was $806 million.

Net income for the second quarter 2000 was $159 million from revenues of $1,399 million compared to net income of $105 million from revenues of $1,378 million for the same period in 1999. Total volume of electricity sales in Ontario and the interconnected markets during the second quarter of 2000 was 32.7 TWh compared to 32.6 TWh for the same period last year.

In addition to favourable operating results, OPG made significant progress this quarter towards meeting several key strategic objectives. This included further progress with respect to the Company's commitment to reduce its effective control of generation capacity in Ontario.

Our efforts to decontrol our Bruce A and Bruce B nuclear generating plants were successful; and in early July, we announced an agreement in principle to lease the facilities to Bruce Power L.P., a company controlled by British Energy plc of the United Kingdom. The transaction benefits employees, the Bruce community, electricity consumers and the shareholder. The transaction injects private funds into the Bruce facilities, which in turn will provide new opportunities for employees and the community. It is a major step forward towards opening the Ontario electricity marketplace to competition and providing electricity consumers with choice. The transaction will also enable OPG to better focus its efforts on accelerating improvements at our Darlington and Pickering nuclear stations.

In February, OPG announced plans to decontrol our oil/natural gas fuelled Lennox generating station and our coal-fired Lakeview station. Subsequently, in response to environmental concerns, the Ontario government has declared a moratorium on the sale of coal-fired generating plants. While the government reviews its environmental policies on the disposition of these assets, we have temporarily delayed our decontrol plans for these stations. OPG will develop further plans for decontrol consistent with any new environmental requirements.

Also, during the second quarter, the government announced that open competition in Ontario's electricity market, initially scheduled for November 2000, would be postponed by at least six months. OPG is continuing to invest significant resources in the development of information technology systems, business processes, and other capabilities necessary to ensure our readiness for market opening.

As part of our strategic growth initiatives, OPG moved forward on several fronts.

In August 2000, OPG and C-Sat Technologies announced the establishment of a new, independent science and engineering-services company, operating under the name of Kinectrics Inc. This initiative marks an important stage in the evolution of our Ontario Power Technologies division from a business unit within OPG to a stand alone corporation capable of competing successfully in North America's rapidly evolving energy market place. OPG owns 90% of this new organization and C-Sat owns the remaining 10% with an option to increase its stake in this venture to 50% by 2002.

Earlier this year, OPG announced plans to participate in building and operating a solid oxide fuel cell demonstration plant in partnership with Siemens Westinghouse, the Government of Canada and the U.S. Department of Energy. This is the largest fuel-cell project of its kind in the world and OPG's involvement reinforces our continued commitment to uncover new innovations in the energy industry. Kinectrics will be instrumental in this project.

OPG also joined 21 other major North American energy companies to form the Pantellos Corporation, a provider of e-commerce based supply chain solutions. To date, Pantellos has established contact with some 1500 suppliers as part of its strategy to create and operate an Internet-based electronic marketplace for the energy industry and its suppliers. OPG anticipates significant supply chain savings from this alliance.

OPG continues to focus on other initiatives that will enhance our competitive profile as we position ourselves to become a more market-oriented and performance driven enterprise.

As part of our commitment to enhance the Company's financial credibility and to attract private capital to fund future growth, we recently obtained investment grade credit ratings from Dominion Bond Rating Service and Canadian Bond Rating Service.

A Goalsharing initiative was introduced to enable OPG employees to more directly share in the financial success of the Company. This is an important step in creating a high-performance culture in preparation for open competition next year. We are also striving to create more flexibility within our workforce that will allow us to facilitate decontrol.

To further enhance our management strength, OPG recently announced two senior management appointments. John Murphy, former president of the Power Workers' Union, was named Executive Vice President of Human Resources and will be responsible for ensuring that the HR function is effectively aligned to the needs of the company and its employees. Graham Brown was appointed Chief Operating Officer, responsible for strengthening our commercial capabilities, ensuring our readiness for open competition and helping to develop our longer-term strategy to become a major North American energy company. Graham's appointment takes effect October 2000.

We are building a new company, with a new mandate and vision. OPG continues to focus on low-cost power generation, solid financial performance, leading edge marketing, sales and trading capabilities in preparation for market opening, and enhanced environmental, health and safety performance.

President and Chief Executive Officer

ONTARIO POWER GENERATION INC. SECOND QUARTER 2000 OPERATING RESULTS

Analysis of Second Quarter 2000 Operations

The following discussion and analysis provides a comparison of the operating results for the six months ended June 30, 2000 to pro forma operating results for the same period in 1999. As well, an analysis is provided for the three months ended June 30, 2000 compared to the prior year.

Pro forma operating results for the six month period have been provided to enhance the comparability of results for the current and prior year, given the significant differences in the business and regulatory environments, as well as the significant change in the Company's capital structure which occurred effective April 1, 1999. The 1999 pro forma statement of income reflects the operations of the Acquired Business for the three months ended March 31, 1999 and the Company's actual operating results for the three months ended June 30, 1999. The basis of preparation of the pro forma statement of income is provided below.

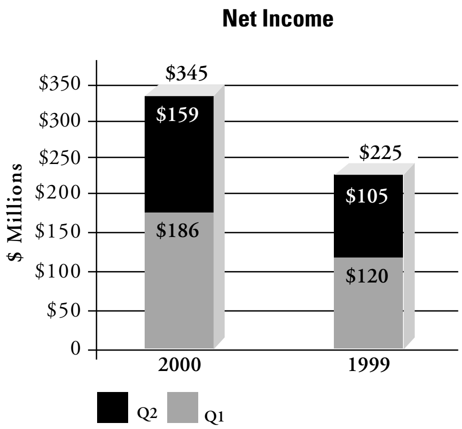
(millions of dollars unless otherwise stated)	Six Months Ended June 30	
	2000	Pro forma (1) 1999
Revenues	$ 2,884	$ 2,835
Operating expenses		
Operation, maintenance and administration	1,025	1,107
Fuel	565	569
Power purchased	44	91
Depreciation and amortization	387	380
Property and capital taxes	188	184
	2,209	2,331
Operating income	675	504
Interest expense	73	94
Income before income taxes	602	410
Income taxes	257	185
Net income	$ 345	$ 225
Earnings per common share ($ per common share)	$ 1.35	$ 0.88
Common shares outstanding (millions)	256.3	256.3
Electricity Sales Volume (TWh)	68.5	67.7

(1) The pro forma statement of income reflects the results as if the purchase of net assets had occurred on January 1, 1999 and includes the acquisition related adjustments such as the allocation of the purchase price to the acquired assets and liabilities. The pro forma adjustments to the historical results of the Acquired Business for the three months ended March 31, 1999 include the following:

- Revenue was based on a consistent rate of 4¢/kWh, thereby requiring a reduction in revenue of $327 million for the three months ended March 31, 1999.
- The valuation of fixed assets at fair value from net book value reduced depreciation and amortization by $193 million for the three months ended March 31, 1999.
- A decrease in long-term debt and lower interest rates due to a new capital structure for the Company resulted in interest expense being reduced by $515 million for the three months ended March 31, 1999.
- Income taxes of $96 million and property and capital taxes of $92 million were recognized for the three months ended March 31, 1999 as the Company is now responsible for making payments in lieu of taxes to the Ontario Electricity Financial Corporation.

The pro forma results are not necessarily indicative of the results that would have occurred had the transactions occurred on the relevant dates, because of the significant changes in the business and regulatory environments, financing and other factors.

Net Income



Net income for the six months ended June 30, 2000 was $345 million compared with the pro forma net income of $225 million for the same period in 1999, an increase of 53%. Significant factors contributing to higher earnings included a lower pension expense related to higher returns on pension fund assets, an increase in the electricity sales in Ontario and a reduction in average electricity generation costs and power purchases.

Net income for the three months ended June 30, 2000 increased by 51% to $159 million compared with $105 million for the same period in 1999. The major factors contributing to this increase in earnings were consistent with those impacting the operating results for the six month period.

Revenues

Total revenues increased by $49 million to $2,884 million for the six months ended June 30, 2000 compared to pro forma revenues of $2,835 million for the same period in 1999. Total revenues consist of Ontario energy revenues, interconnected sales and other non-energy based revenues.

Total revenues for the three months ended June 30, 2000 were $1,399 million compared to revenues of $1,378 million for the same period in 1999.

Ontario Energy Revenues

Ontario energy revenues were $2,745 million for the first six months of 2000 compared with $2,690 million on a pro forma basis for the same period in 1999. The increase in revenue was due primarily to increased economic activity which contributed to higher demand from municipal and industrial customers, partially offset by the impact of warmer winter weather in 2000 compared to the prior year. The volume of electricity sold in Ontario for the first six months of 2000 increased by 1.1 TWh to 66.9 TWh compared with 1999 sales of 65.8 TWh for the same period. On a weather-normalized basis, electricity sales were 67.8 TWh in 2000 compared to 66.2 TWh in 1999.

Ontario energy revenues were $1,310 million for the three months ended June 30, 2000 compared with $1,288 million for the same period in 1999, an increase of $22 million. The increase was primarily due to a higher volume of electricity sales in Ontario related to economic growth. Total volume of electricity sales in Ontario for the second quarter was 31.7 TWh compared with 31.3 TWh for the same period in 1999. On a weather-normalized basis, electricity sales were 31.8 TWh during the second quarter compared with 31.2 TWh in 1999.

Interconnected Sales

Revenues from interconnected markets during the first six months of 2000 were $89 million compared with pro forma revenues of $80 million for the same period in 1999. The increase in revenues was primarily due to higher spot market prices in interconnected markets, partially offset by a decline in electricity sales volume from 1.9 TWh in 1999 to 1.6 TWh in 2000. These factors also contributed to the marginal increase in interconnected sales for the second quarter to $61 million in 2000 compared to $59 million during the same period in 1999.

Other Revenue

Non energy revenues during the first six months of 2000 declined by $15 million to $50 million compared with pro forma revenues of $65 million for the same period in 1999. The decrease was due largely to a reduction in the sale of services to other successor companies of Ontario Hydro, partially offset by an increase in foreign exchange gains recognized in 2000.

Non energy revenues during the second quarter of 2000 were $28 million compared with $31 million for the same period in 1999. The decrease was due to the reduction in the sale of services provided to successor companies of Ontario Hydro.

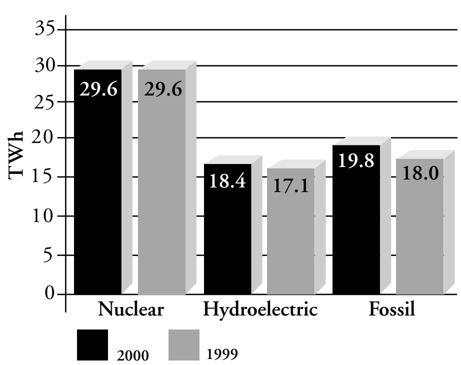
Operating Expenses

Operation, maintenance and administration expenses

Operation, maintenance and administration (OM&A) expenses were $1,025 million for the six months ended June 30, 2000 compared with $1,107 million on a pro forma basis for the same period in 1999. The decrease in OM&A expenses was primarily due to a lower pension expense related to higher returns on pension fund assets and lower expenditures resulting from the completion of the Year 2000 computer systems remediation efforts. The impact of these factors was partially offset by higher costs related to the Power Workers' Union contract settlement and an increase in activity related to the Pickering A return to service project. OM&A expenses were $523 million during the second quarter of 2000 compared with $540 million for the same period in 1999. The factors contributing to this decrease were similar to those impacting the six month period.

The reduction in pension expense for the six month and three month periods ended June 30, 2000 compared to the same periods last year was $76 million and $39 million respectively.

Production by Generation Source for the Six Months ended June 30



Fuel Expenses and Production Volumes

Fuel expenses for the first six months of 2000 were $565 million compared to pro forma fuel expenses of $569 million for the same period in 1999. Although fuel expenses remained relatively constant, the Company increased its production of electricity to 67.8 TWh from 64.7 TWh in 1999. The reduction in average fuel cost was due primarily to lower prices for coal compared to last year and an increase in low cost hydroelectric generation.

Fuel expenses of $263 million for the second quarter of 2000 decreased by $6 million compared with $269 million for the same period in 1999.

Power Purchased

Power purchased during the first six months of 2000 was $44 million compared with $91 million for the same period in 1999. The decrease of $47 million was mainly due to a reduction in power purchases from U.S. sources, resulting from the Company's increased production of electricity. These factors also contributed to the decrease in power purchases to $21 million during the second quarter of 2000 compared to $46 million for the same period in 1999.

Interest Expense

The net interest expense decreased by $21 million to $73 million for the first six months of 2000 compared to the pro forma interest expense of $94 million for the same period in 1999. While interest costs incurred on debt remained constant, the decrease in the net interest expense resulted primarily from higher interest income on short-term investments in 2000. This same factor also contributed to the decrease in interest expense during the second quarter of 2000 to $33 million from $49 million for the same period in 1999.

Liquidity and Capital Resources

Cash flow from operating activities for the six months ended June 30, 2000 was $806 million. Cash and short-term investments increased by $451 million to $694 million as at June 30, 2000 from $243 million at December 31, 1999.

Capital expenditures for the six months ended June 30, 2000 were $234 million. The Company continues to invest in fixed assets to improve operating efficiencies and maintain and improve service, reliability, safety and environmental performance. Capital expenditures include the investment in the Pickering A station return to service project and the Company's preparation for open market access. During the six months ended June 30, 2000, the Company contributed $190 million towards the nuclear waste management and asset removal fund which includes principal and earnings growth for the period.

The Company paid dividends of $121 million during the six months ended June 30, 2000. The dividends included an amount required to achieve a 35 percent pay out of earnings for 1999.

In June, the Company obtained investment grade credit rating of A for its long-term debt from both Canadian Bond Rating Service (CBRS) and Dominion Bond Rating Service (DBRS) and A-1 and R-1 for its commercial paper from CBRS and DBRS respectively.

Business Activities

Labour Negotiations

During the first quarter of 2000, the Company reached an agreement with its largest labour union, the Power Workers Union. The new two year agreement was effective April 1, 2000 and includes wage escalation and pension enhancements for members. As well, provisions related to the mobility of labour are included within this agreement to allow the Company to facilitate decontrol of its generating capacity.

In June, the Company and The Society of Energy Professionals negotiated an early renewal of their collective agreements, subject to ratification during the third quarter of 2000. These new agreements become effective January 1, 2001.

Leasing of Bruce Nuclear Generating Stations

In July 2000, the Company entered into an agreement to lease its Bruce A and Bruce B generating stations to Bruce Power L.P., a company controlled by British Energy plc. The objective of the agreement is consistent with the Company's plans for meeting the requirement to reduce generating capacity within 10 years of open market access to no more than 35% of the generating capacity available to the province. The operating lease will have an initial lease term of approximately 18 years and will include options to extend the lease. The Company will continue to be responsible for the nuclear decommissioning and waste liabilities for the Bruce facility.

In order to complete the transaction, Bruce Power must obtain the necessary licences from the Canadian Nuclear Safety Commission and the Ontario Energy Board. The transaction is expected to close by the summer of 2001.

The initial payment of $625 million will be paid out in three installments, with the first installment of $400 million, subject to various closing adjustments, payable on the closing of the transaction. The remaining $225 million will be paid out equally with $112.5 million payable within the first four years from the date the transaction is closed, and the other $112.5 million within six years from the date of closing. The total initial payment and annual lease payments to be received over the initial term of the lease are estimated at $3.1 billion.

Fossil Decontrol Plans

In February, the Company announced plans to decontrol its oil/natural gas fuelled Lennox and coal-fired Lakeview stations. The Ontario government subsequently placed a moratorium on the sale of coal-fired generating plants while it assesses the potential environmental impacts of their future operation. As a result, the Company has delayed its plans for decontrol of both the Lennox and Lakeview stations.

CONSOLIDATED STATEMENT OF INCOME (UNAUDITED)

(millions of dollars except earnings per share)	Six Months Ended June 30 2000	Three Months Ended June 30 2000	Three Months Ended June 30 1999
Revenues	$ 2,884	$ 1,399	$ 1,378
Operating expenses			
Operation, maintenance and administration	1,025	523	540
Fuel	565	263	269
Power purchased	44	21	46
Depreciation and amortization	387	191	188
Property and capital taxes	188	94	92
	2,209	1,092	1,135
Operating income	675	307	243
Interest expense	73	33	49
Income before income taxes	602	274	194
Income taxes (notes 2 and 3)			
Current	132	59	86
Future	125	56	3
	257	115	89
Net income	$ 345	$ 159	$ 105
Earnings per common share	$ 1.35	$ 0.62	$ 0.41
Common shares outstanding (millions)	256.3	256.3	256.3

see accompanying notes to financial statements

CONSOLIDATED STATEMENT OF RETAINED EARNINGS (UNAUDITED)

(millions of dollars)	Six Months Ended June 30 2000
Retained earnings, beginning of period	$ 291
Net income	345
Dividends	(121)
Retained earnings, end of period	$ 515

see accompanying notes to financial statements

CONSOLIDATED STATEMENT OF CASH FLOWS (UNAUDITED)

(millions of dollars)	Six Months Ended June 30 2000	Three Months Ended June 30 2000	Three Months Ended June 30 1999
Operating activities			
Net income	$ 345	$ 159	$ 105
Adjust for non-cash items:			
Depreciation and amortization	387	191	188
Deferred pension asset	(66)	(35)	4
Other post employment benefits	30	13	22
Future income taxes	125	56	3
Nuclear waste management	13	6	4
Other	21	34	(5)
	855	424	321
Nuclear waste management and asset removal fund	(190)	(96)	(104)
Expenditures on nuclear waste provisions	(17)	(10)	(10)
Changes to other long term assets and liabilities	(49)	(37)	12
Non-cash working capital changes	207	(213)	(189)
Cash flow from operating activities	806	68	30
Investing activities			
Expenditures for property, plant and equipment	(234)	(128)	(62)
Cash flow before financing activities	572	(60)	(32)
Financing activities			
Dividends on common shares	(121)	(42)	-
Increase in cash and cash equivalents during period	451	(102)	(32)
Cash and cash equivalents, beginning of period	243	796	152
Cash and cash equivalents, end of period	$ 694	$ 694	$ 120

see accompanying notes to financial statements

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(millions of dollars)	June 30 2000	December 31 1999
ASSETS		
Current assets		
Cash and cash equivalents	$ 694	$ 243
Accounts receivable	714	930
Fuel	404	424
Materials and supplies	207	201
	2,019	1,798
Fixed assets		
Property, plant and equipment	13,513	13,285
Less: accumulated depreciation	643	383
	12,870	12,902
Other assets		
Deferred pension asset	582	516
Nuclear waste management and asset removal fund	557	367
Long term accounts receivable and other assets	43	27
	1,182	910
	$ 16,071	$ 15,610

see accompanying notes to financial statements

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

(millions of dollars)	June 30 2000	December 31 1999
LIABILITIES		
Current liabilities		
Accounts payable and accrued charges	$ 1,131	$ 1,145
Long term debt due within one year	104	4
	1,235	1,149
Long term debt	3,321	3,422
Other liabilities		
Nuclear waste management and asset removal	4,364	4,235
Other post employment benefits	989	959
Long term accounts payable and accrued charges	321	353
Future income taxes liability (note 2)	200	75
	5,874	5,622
Shareholder's equity		
Common shares	5,126	5,126
Retained earnings	515	291
	5,641	5,417
	$ 16,071	$ 15,610

see accompanying notes to financial statements

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
FOR THE SIX MONTHS ENDED JUNE 30, 2000 (UNAUDITED)

1. Basis of Preparation

The accompanying unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada. These statements should be read in conjunction with the Company's December 31, 1999 audited consolidated financial statements.

The Company was incorporated on December 1, 1998 under the *Business Corporations Act* (Ontario). As part of the reorganization of Ontario Hydro under the *Electricity Act, 1998* and the related restructuring of the electricity industry in Ontario, the Company purchased and assumed certain assets, liabilities, employees, rights and obligations of the electricity generation business of Ontario Hydro (the "Acquired Business") on April 1 1999 and commenced operations on that date. The purchase of the Acquired Business was recorded at the exchange amount of $8,526 million. The aggregate value of the net assets was allocated to assets and liabilities based on their estimated fair values.

Cumulative comparative amounts for the six months ended June 30, 1999 have not been included in the quarterly consolidated financial statements. The financial position and operating results of the Company differ significantly from those of the Acquired Business prior to April 1, 1999 because of changes in the capital structure, regulatory environment and other factors.

2. Accounting Change - Income Taxes

Effective January 1, 2000, the Company changed its method of accounting for income taxes from the deferral method to the liability method of tax allocation as required by The Canadian Institute of Chartered Accountants' Handbook Section 3465, *Accounting for Income Taxes*. Under the liability method, future income taxes reflect the net tax effects of temporary differences between the carrying amounts of the assets and liabilities for financial reporting purposes and amounts used for income tax purposes. The deferral method uses an income statement approach and records deferred taxes using current tax rates with no adjustment for subsequent tax rate changes. The cumulative effect as at January 1, 2000 of adopting these recommendations was not material. Therefore, prior year financial statements have not been restated. For comparative 1999 periods, the deferred income tax component of income tax expense is disclosed in the financial statements as future income taxes.

3. Payment in Lieu of Taxes

The Company is responsible under the *Electricity Act, 1998* for making payments in lieu of taxes to Ontario Electricity Financial Corporation. These payments are calculated in accordance with the *Income Tax Act* (Canada) and the *Corporations Tax Act* (Ontario), and are modified by regulations made under the *Electricity Act, 1998*.

The Company is also required to make payments in lieu of property and school taxes on its generating assets. The amount is equal to the difference between the amount it would be required to pay if the assets were privately owned and the amount of such taxes that the Company actually pays on those assets.

4. Seasonal Operations

The Company's quarterly results are impacted by changes in demand resulting from variations in seasonal weather conditions. Historically, the Company's revenues are higher in the first and third quarters of a fiscal year as a result of winter heating demands in the first quarter and air conditioning/cooling demands in the third quarter.

5. Contingencies and Commitments

Request for Judicial Review

In May 1999, an application was commenced by the Inverhuron & District Ratepayers Association ("IDRA") in the Federal Court Trial Division, requesting judicial review of the decisions of the federal Minister of the Environment, the Minister of Fisheries and Oceans and the Canadian Nuclear Safety Commission ("CNSC", formerly the Atomic Energy Control Board) with regard to the Bruce used fuel dry storage facility. The goal of the application was to void the Minister of the Environment's decision pursuant to the *Canadian Environmental Assessment Act* which would allow the project to proceed, and to have the project referred to a review panel or mediator.

In May 2000, the Federal Court Trial Division refused to review the decision. The IDRA has appealed the Court's decision. Until the Appeal Court renders its decision, the Company is unable to ascertain the impact of this application on its business, results of operations, financial condition or prospects. The Bruce used fuel storage facility is required within the next 2 to 3 years to allow for the continued generation of nuclear power at the Bruce site given the remaining vacant storage available for spent fuel bundles.

6. Leasing of Bruce Nuclear Generating Stations

On July 11, 2000, the Company entered into an agreement to lease its Bruce A and Bruce B nuclear generating facilities to Bruce Power L.P. as part of the plan to reduce its share of generating capacity available to the province. Bruce Power is a company controlled by British Energy plc. The transaction provides an opportunity for the Power Workers' Union and The Society of Energy Professionals at the Bruce site to subscribe to 5 per cent of the equity. The operating lease will have an initial lease term of approximately 18 years and will include options to extend the lease for up to 25 years. The completion of the transaction, which is expected to take place in 2001, is subject to obtaining the necessary licences from the Canadian Nuclear Safety Commission and the Ontario Energy Board.

The agreement requires an initial payment of $625 million, payable in three installments. This includes $400 million, subject to closing adjustments, payable to the Company on closing and $225 million payable in two equal installments of $112.5 million, no later than 4 and 6 years from the date the transaction is completed. Bruce Power will also make annual lease payments during the initial lease term that will consist of both fixed and variable payments. In aggregate, the initial payment and annual lease payments to the Company are estimated at $3.1 billion. The Company will continue to be responsible for nuclear waste and decommissioning liabilities at the Bruce site.

7. Comparative Figures

Certain of the 1999 comparative figures have been reclassified to conform with the 2000 financial statement presentation.

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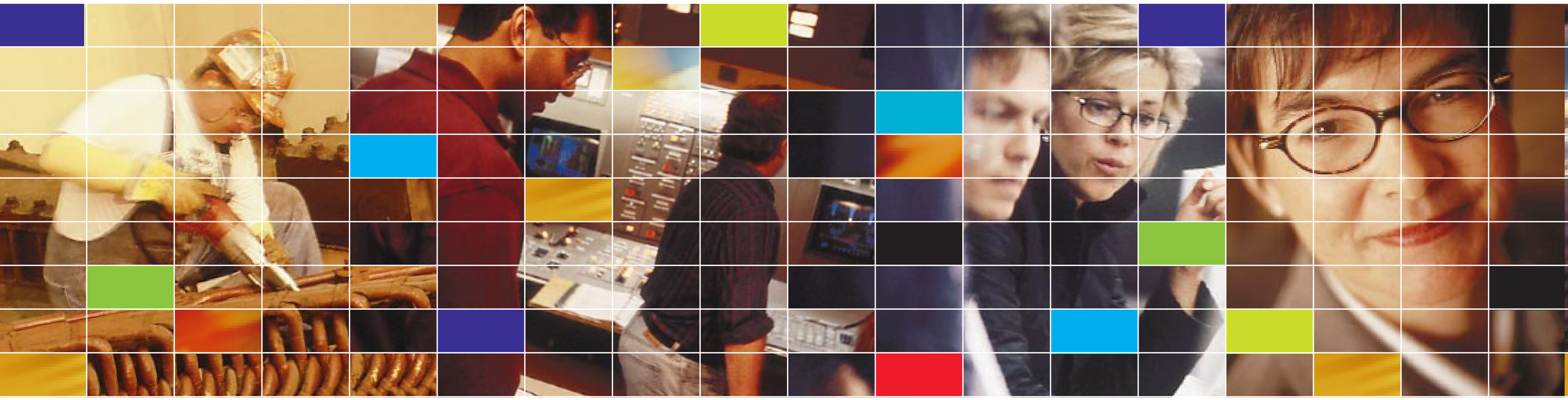

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