

## INDEPENDENT AUDITORS' REPORT

### To the management of Ontario Power Generation Inc.

We have audited the accompanying consolidated financial statements of the **Prescribed Facilities of Ontario Power Generation Inc.**, as defined under *Ontario Regulation 53/05* pursuant to the *Ontario Energy Board Act, 1998* as of December 31, 2012, which comprise the consolidated balance sheets as at December 31, 2012 and 2011, and the consolidated statements of income, comprehensive income, cash flows, and changes in excess of assets over liabilities of the business for the years then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Consolidated Financial Statements*

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with United States generally accepted accounting principles, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform an audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risk of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.



*Opinion*

In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the **Prescribed Facilities of Ontario Power Generation Inc.**, as defined under *Ontario Regulation 53/05* pursuant to the *Ontario Energy Board Act, 1998* as of December 31, 2012, as at December 31, 2012 and 2011 and the results of their operations and their cash flows for the years then ended in accordance with United States generally accepted accounting principles.

*Restriction on Distribution and Use*

These consolidated financial statements are prepared solely for the use of management of Ontario Power Generation Inc. and for filing with the Ontario Energy Board. Our report is intended solely for the management of Ontario Power Generation Inc. and for filing with the Ontario Energy Board and should not be used for any other purpose.

Toronto, Canada,  
December 2, 2013.

[Original Signed By]  
*Ernst & Young*  
Chartered Accountants  
Licensed Public Accountants

