



2014

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 2 nuclear, 5 thermal and 65 hydroelectric stations, and 2 wind power turbines. OPG leases 2 nuclear stations to Bruce Power. OPG also co-owns the Portlands Energy Centre and the Brighton Beach gas-fired station. At December 31, 2014, OPG had an in-service generating capacity of 17,059 MW, assets of \$41.7 B, long-term debt of \$5.2 B and equity of \$9.5 B.

OPERATIONAL & FINANCIAL HIGHLIGHTS

- Total electricity generated increased in 2014 to 82.2 TWh from 80.8 TWh in 2013. The increase was mainly due to higher nuclear generation primarily due to fewer unplanned outage days at the Pickering and Darlington stations.
- Net income in 2014 was \$811 M, compared to \$135 M in 2013. OPG recognized an extraordinary gain of \$243 M in 2014 related to the 48 hydroelectric stations which were prescribed for rate regulation beginning in 2014. Higher 2014 earnings were also due to increased nuclear production, higher electricity spot market prices in Q1 2014 as a result of the unseasonably cold winter, increased earnings on the Used Fuel Segregated Fund, higher earnings from the 6 new hydroelectric units constructed as part of the Lower Mattagami River project, lower salary costs due to business efficiencies and reduced headcount, and increased energy sales to neighbouring markets.
- In 2014, OPG made significant progress on a number of generation development projects, including:
 - The Darlington Refurbishment project will extend the station's operating life by ~30 years. The project is currently in the definition phase. The project's budget and schedule is expected to be completed in 2015. In 2016, the first unit outage will commence.
 - In 2014, the Lower Mattagami River project was completed 6 months ahead of schedule and on budget. The project increased the capacity of the four stations by 438 MW.
 - In July 2014, OPG completed conversion of the 205 MW Atikokan GS from coal to biomass fuel, ahead of schedule and on budget.
 - In January 2015, OPG completed the conversion of a 153 MW unit at the Thunder Bay GS to advanced biomass fuel.

STRATEGIC PRIORITIES

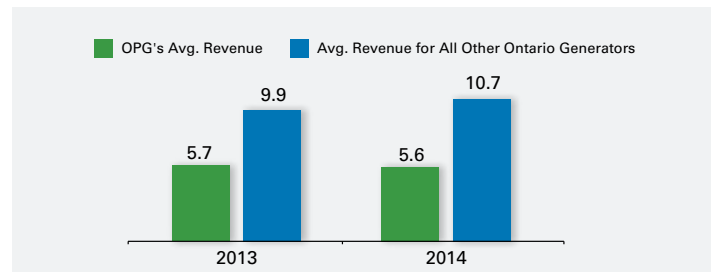
OPG's mandate is to reliably and cost-effectively produce electricity from its diversified portfolio of generating assets, while operating in a safe, open and environmentally responsible manner. To accomplish its mandate, OPG is focused on the following three corporate strategies:

- 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

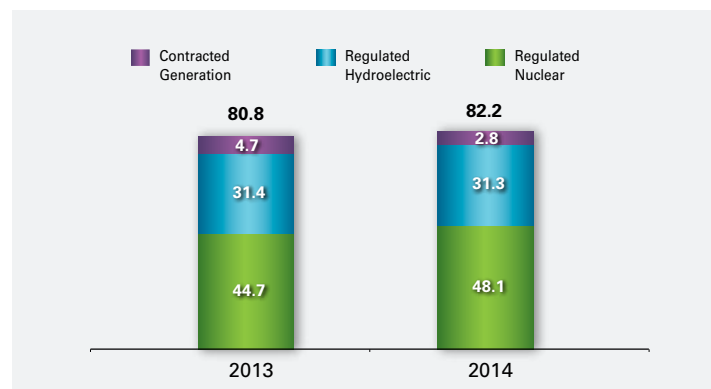
FINANCIAL RESULTS

	For the year ended December 31	
(\$ millions unless otherwise noted)	2013	2014
Revenue	4,863	4,963
Fuel Expense	708	641
Gross Margin	4,155	4,322
OM&A	2,747	2,615
Other Expenses	1,156	920
Operating Income	252	787
Net Interest Expense & Taxes	117	219
Extraordinary Item	0	(243)
Net Income	135	811
Capital Expenditures	1,568	1,545
Total Assets	38,091	41,653
Total Debt	5,625	5,730
Shareholder's Equity	8,334	9,467
Return On Equity (%) 12-mth rolling avg.	1.5	8.5

AVERAGE SALES PRICES (¢/kWh)



ELECTRICITY SOLD (TWh)





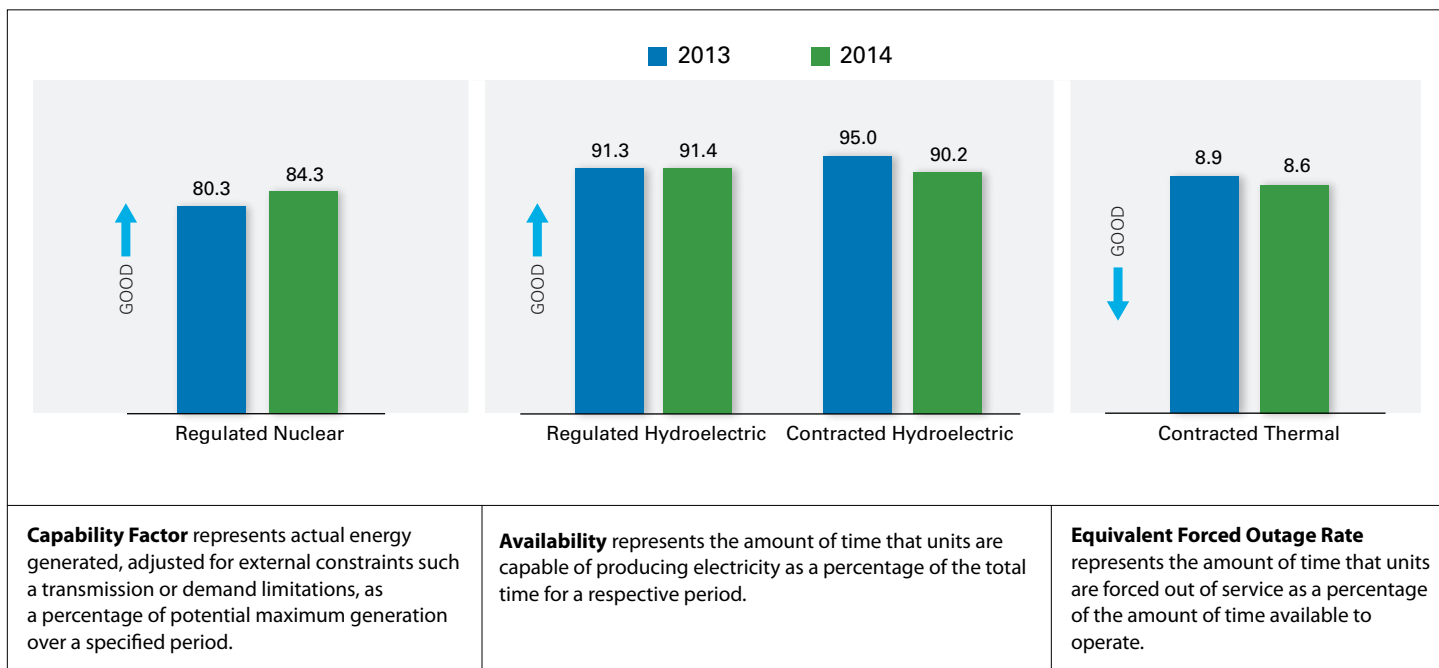
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GENERATION PERFORMANCE (%)



GENERATING CAPACITY & PRODUCTION

	As of Dec 31, 2014 Capacity (MW)	2014 Energy (TWh)
Nuclear		
Darlington	3,512	28.0
Pickering B	2,064	13.4
Pickering A	1,030	6.7
	6,606	48.1
Hydroelectric by Plant Group		
Niagara	2,277	12.3
Ottawa / St. Lawrence	2,571	13.3
Northeast	1,782	3.8
Northwest	683	3.4
Central Hydro	125	0.7
	7,438	33.5
Thermal		
Lennox	2,100	--
Thunder Bay	153	--
Atikokan	205	--
Portlands Energy Centre*	275	0.5
Brighton Beach*	280	0.1
	3,013	0.6
Wind		
	2	--
Total	17,059	82.2

* Represents OPG's 50% share of capacity and production

MAJOR PROJECTS

Project	Total Capacity (MW)	Cost	Completed
Atikokan GS ■ Convert to biomass fuel	205 MW	\$170 M	July 2014
Lower Mattagami ■ Increase capacity of 4 stations	Increase from 486 MW to 924 MW	\$2.6 B	December 2014
Thunder Bay GS ■ Convert to advanced biomass fuel	153 MW	\$7 M	January 2015

CREDIT RATINGS

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