No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

A copy of this preliminary short form base shelf prospectus has been filed with the securities regulatory authorities in each of the provinces of Canada but has not yet become final for the purpose of the sale of securities. Information contained in this preliminary short form base shelf prospectus may not be complete and may have to be amended. The securities may not be sold until a receipt for the short form base shelf prospectus is obtained from the securities regulatory authorities.

This short form prospectus has been filed under legislation in each of the provinces of Canada that permits certain information about these securities to be determined after this prospectus has become final and that permits the omission from this prospectus of that information. The legislation requires the delivery to purchasers of a prospectus supplement containing the omitted information within a specified period of time after agreeing to purchase any of these securities. All shelf information omitted from this shelf prospectus will be contained in one or more prospectus supplements that will be delivered to purchasers together with the base shelf prospectus.

This preliminary short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities to be issued hereunder have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws and may not be offered, sold or delivered within the United States of America and its territories and possessions except in certain transactions exempt from the registration requirements of such Act. See "Plan of Distribution".

***Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada**. Each shelf prospectus supplement will be incorporated by reference into this shelf prospectus for the purposes of securities legislation as of the date of the shelf prospectus supplement and only for the purposes of the distribution of the securities to which the shelf prospectus supplement pertains. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of Ontario Power Generation Inc., 700 University Avenue, Toronto, Ontario, M5G 1X6, Canada, (416) 592-6700 and are also available electronically at www.sedar.com.*

PRELIMINARY SHORT FORM BASE SHELF PROSPECTUS

New Issue September 1, 2017

ONTARIOPOWER GENERATION

ONTARIO POWER GENERATION INC.
$2,000,000,000
Medium Term Notes
(unsecured)

Ontario Power Generation Inc. ("OPG" or the "Company") may offer and issue from time to time medium term notes (the "Notes") in an aggregate principal amount of up to $2,000,000,000 in Canadian currency (or the equivalent thereof in other currencies or currency units at the time of issue) during the twenty-five months from the date of issuance of the receipt for this short form prospectus.

The Notes will have a term to maturity of not less than one year and will be issuable in Canadian currency (or in other currencies or currency units) in fully registered definitive or global form, in which case the Notes will be exchangeable only under certain conditions for definitive Notes.

Notes issued hereunder will be direct unsecured obligations of the Company, will be issued under a trust indenture in any number of series or separate issues thereof, and will at their respective dates of issue rank *pari passu* with all other unsecured and unsubordinated Indebtedness (as defined below) of the Company then outstanding, except as to any sinking fund which pertains exclusively to any particular Indebtedness of the Company.

The specific variable terms of an offering of Notes (including the aggregate principal amount of the Notes being offered, the currency or currencies, the issue and delivery date, the form, the maturity date, the interest rate (either fixed or floating and, if floating, the manner of calculation thereof), the issue price, the interest payment date(s), any redemption or repayment provisions, any provisions entitling the Company to extend the maturity date of the Notes, the name(s) of the dealer(s) offering the Notes, the commission payable to such dealer(s), the method of distribution and the net proceeds to the Company) will be set forth in a prospectus supplement or pricing supplement which will accompany this short form prospectus. Unless otherwise indicated in a prospectus supplement or pricing supplement, the Notes will not be listed on any securities exchange.

This short form prospectus does not qualify the issuance of Notes: (i) entitling the holder to exchange or convert the Notes into securities issued by the Company or into securities issued by another entity; or (ii) in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to one or more underlying interests including, for example, an equity or debt security, a statistical measure of economic or financial performance including, but not limited to, any currency, consumer price or mortgage index, or the price or value of one or more commodities, indices or other items, or any other item or formula, or any combination or basket of the foregoing items. For greater certainty, however, this short form prospectus does qualify for issuance Notes in respect of which the payment of principal and/or interest may be determined, in whole or in part, by reference to published rates of a central banking authority or one or more financial institutions, such as a prime rate or a bankers' acceptance rate, or to recognized market benchmark interest rates, such as CDOR, LIBOR or EURIBOR, or to interest rates on Government of Canada bonds.

The sole shareholder of the Company is the Province of Ontario (the "Province"). The Notes will not be obligations of, and will not be guaranteed in any manner by, the Province.

Investing in the Notes involves risks. See "Risk Factors" in this short form prospectus, which may be amended or supplemented in any prospectus supplement or pricing supplement.

Unless otherwise indicated in a prospectus supplement or pricing supplement, there is no market through which these securities may be sold and purchasers may not be able to resell securities purchased under this short form prospectus. This may affect the pricing of the securities in the secondary market, the transparency and availability of trading prices, the liquidity of the securities, and the extent of issuer regulation. See "Risk Factors".

Certain directors of the Company reside outside of Canada. Each such director has appointed the Company as his/her agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process. See "Agent for Service of Process in Canada".

RATES ON APPLICATION

The Notes may be offered severally by one or more of BMO Nesbitt Burns Inc., TD Securities Inc., Goldman Sachs Canada Inc., CIBC World Markets Inc., Desjardins Securities Inc., HSBC Securities (Canada) Inc., Laurentian Bank Securities Inc., National Bank Financial Inc., RBC Dominion Securities Inc. and Scotia Capital Inc. pursuant to the dealer agreement referred to under the heading "Plan of Distribution" or such other dealers as may be selected from time to time by the Company (the "Dealers"), in each case acting as agent of the Company or as principal. Where the Notes are offered by the Dealers as agent, the commissions payable in connection with sales of such Notes shall be agreed from time to time between the Company and any such Dealers. Where the Notes are purchased by the Dealers as principal, the Notes shall be purchased at such prices and with such commissions as may be agreed from time to time between the Company and any such Dealer(s) for resale to the public at prices to be negotiated with each purchaser. Such resale prices may vary during the distribution period and as between purchasers. In each case, the commissions payable, if any, will be set forth in a prospectus supplement or pricing supplement that will accompany and be incorporated by reference in this short form prospectus. Each Dealer's compensation will increase or decrease by the amount by which the aggregate price paid for Notes by purchasers exceeds or is less than the price paid by the Dealer, acting as principal, to the Company. The Company may also offer the Notes directly to potential purchasers pursuant to applicable statutory exemptions at prices and upon terms negotiated between the purchaser and the Company.

Certain of the Dealers may be subsidiaries or affiliates of lenders to the Company or its subsidiaries, now or in the future. Details of any relevant connected issuer considerations will be included in a prospectus supplement or pricing supplement if applicable to any offering of Notes. See "Plan of Distribution".

The offering of Notes is subject to the approval of certain legal matters on behalf of the Company by Torys LLP and on behalf of the Dealers by Blake, Cassels & Graydon LLP.

The Company's head and registered office is located at 700 University Avenue, Toronto, Ontario, M5G 1X6, Canada.

The Company's consolidated financial statements incorporated by reference in this short form prospectus have been prepared in accordance with U.S. generally accepted accounting principles. Unless otherwise specified or the context otherwise requires, all references herein to currency are references to Canadian dollars.

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DOCUMENTS INCORPORATED BY REFERENCE

The following documents, which have been filed with the securities commission or similar regulatory authority in each of the provinces of Canada, are specifically incorporated by reference in this short form prospectus:

(a) the annual information form of the Company dated March 10, 2017 (the "AIF");

(b) the comparative audited consolidated financial statements of the Company, and the notes thereto, as at and for the fiscal years ended December 31, 2016 and 2015, together with the report of the auditors thereon dated March 10, 2017;

(c) management's discussion and analysis ("MD&A") for the year ended December 31, 2016;

(d) the statement of executive compensation for the year ended December 31, 2016; and

(e) the unaudited consolidated financial statements of the Company, and the notes thereto, as at June 30, 2017 and for the three and six month periods ended June 30, 2017 and June 30, 2016 together with MD&A for those periods.

Updated earnings coverage ratios, as required, will be filed quarterly with the appropriate securities regulatory authorities either as prospectus supplements or as part of the Company's unaudited interim and audited annual consolidated financial statements and will be deemed to be incorporated by reference into this short form prospectus for the purposes of the offering of Notes hereunder.

Any documents of the type required by National Instrument 44-101 – *Short Form Prospectus Distributions* to be incorporated by reference in a short form prospectus, including documents of the types referred to in paragraphs (a) through (e) above, any material change reports (except confidential material change reports), and any business acquisition reports filed by the Company with the securities regulatory authorities in Canada since the end of the financial year in respect of which its then current annual information form is filed, shall be deemed to be incorporated by reference into this short form prospectus. Upon a new annual information form, new statement of executive compensation and new annual financial statements and the related MD&A being filed by the Company with, and where required, accepted by, the applicable securities regulatory authorities during the currency of this short form prospectus, the previous annual information form, the previous statement of executive compensation, the previous annual financial statements and the related MD&A, and all previous interim financial statements and the related MD&A filed prior to the commencement of the Company's financial year in which the new documents are filed shall be deemed no longer to be incorporated into this short form prospectus for purposes of future offers and sales of Notes hereunder.

A pricing supplement or prospectus supplement containing the specific variable terms for an issue of Notes will be delivered to purchasers of such Notes together with this short form prospectus and will be deemed to be incorporated by reference into this short form prospectus as of the date of the pricing supplement or prospectus supplement, solely for the purposes of the Notes issued under that pricing supplement or prospectus supplement. Any template version of marketing materials for an issue of Notes filed by the Company with the securities regulatory authorities in Canada after the date of the pricing supplement or prospectus supplement in respect of such issue of Notes and before the termination of the distribution of such Notes will be deemed to be incorporated by reference into that pricing supplement or prospectus supplement.

Any statement contained in this short form prospectus or in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded and not incorporated by reference, for purposes of this short form prospectus, to the extent that a statement contained herein or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein modifies or supersedes such prior statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this short form prospectus, except as so modified or superseded.

CAUTIONARY NOTE REGARDING FORWARD-LOOKING INFORMATION

This short form prospectus, including the documents incorporated by reference herein, contains "forward-looking information" within the meaning of applicable Canadian securities laws that is based on current expectations, estimates, forecasts and projections about the business of the Company and the industry in which the Company operates and includes beliefs and assumptions made by the management of the Company. Such information includes, but is not limited to, statements about the general development of the Company's business, the Company's strategy, future capital expenditures, and expectations regarding developments in the statutory and operating framework for electricity generation and sale in Ontario. Additional forward-looking information is identified in the various documents incorporated by reference in this short form prospectus, including the section entitled "Forward-Looking Information" in the Company's annual information form and the section entitled "Forward-Looking Statements" in the Company's MD&A. The Company generally uses words such as "anticipate", "believe", "foresee", "forecast", "estimate", "expect", "schedule", "intend", "plan", "project", "seek", “target”, “goal”, “strategy”, “may”, “will”, “should”, “could”, and other similar words and expressions to indicate forward-looking statements. The absence of any such word or expression does not indicate that a statement is not forward-looking. The forward-looking information contained in this short form prospectus, including the documents incorporated by reference herein, are not guarantees of future performance and involve inherent assumptions and risks and uncertainties that are difficult to predict. All forward-looking statements could be inaccurate to a material degree. In particular, the forward-looking information contained in this short form prospectus is based on a variety of factors and assumptions including, OPG’s generating station performance and availability, fuel costs, surplus baseload generation, cost of fixed asset removal and nuclear waste management, performance and earnings of investment funds, refurbishment of existing facilities, development and construction of new facilities, pension and other post-employment benefit obligations and funds, income taxes, proposed new legislation, the ongoing evolution of Ontario’s electricity industry, environmental and other regulatory requirements, health, safety and environmental developments, business continuity events, the weather, financing and liquidity, applications to the Ontario Energy Board (“OEB”) for regulatory prices, the impact of regulatory decisions by the OEB, operations, maintenance and administration expenditures, retention of critical talent, supplier and third party performance, and forecasts of earnings, cash flows, Funds from Operations Adjusted Interest Coverage, Return on Common Equity Excluding Accumulated Other Comprehensive Income, Total Generating Cost and capital expenditures. Actual outcomes and results may differ materially from what is expressed, implied or forecasted in this forward-looking information. While the Company does not know what impact any of these differences may have, the Company’s business, results of operations, financial condition and credit stability may be materially adversely affected. Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information are discussed in more detail under “Risk Factors” in this short form prospectus and in any prospectus supplement or pricing supplement and in the sections entitled “Forward-Looking Information” and “Risk Factors” in the Company’s annual information form and the sections entitled “Risk Management” and “Forward-Looking Statements” in the Company’s MD&A. You should carefully consider these and other factors and not place undue reliance on forward-looking information.

The forward-looking information included in this short form prospectus and in the documents incorporated by reference represent the Company’s views as of the date of this short form prospectus or the relevant document incorporated by reference herein, as applicable, and should not be relied upon as representing the Company’s views as of any subsequent date. The Company has no intention and undertakes no obligation to update or revise any forward-looking information as a result of new information, future events or otherwise, except as required by law.

THE COMPANY

OPG is an Ontario-based electricity generation company whose principal business is the generation and sale of electricity in Ontario. OPG was established under the *Business Corporations Act* (Ontario) and is wholly-owned by the Province.

OPG is Ontario’s largest clean energy generator. As at June 30, 2017, OPG operated two nuclear generating stations, 66 hydroelectric generating stations, three thermal generating stations, and one wind power turbine. In addition, OPG and TransCanada Energy Ltd. co-own the 550 MW Portlands Energy Centre (“PEC”) gas-fired combined cycle generating station. OPG and ATCO Power Canada Ltd. co-own the 560 MW Brighton Beach gas-fired combined cycle generating station (“Brighton Beach”). Including its share of the co-owned facilities, OPG’s total in-service generating capacity was 16,210 MW as at June 30, 2017, which represented approximately 45 percent of installed generation capacity in Ontario’s electricity grid as reported by the Independent Electricity System Operator (“IESO”). OPG’s in-service generating capacity as of June 30, 2017 excludes Unit 2 of the Darlington Nuclear Generating Station.

This unit, which has a generating capacity of 878 MW, was taken offline in mid-October 2016 and is currently undergoing refurbishment. OPG operates under an electricity generation licence issued by the OEB, which is valid until October 30, 2023. OPG expects the licence to be renewed in the future.

OPG also owns two other nuclear generating stations, the Bruce A Nuclear Generating Station and the Bruce B Nuclear Generating Station, which are leased on a long-term basis to Bruce Power LP and are not included in the generation and other operating statistics contained and incorporated by reference in this short form prospectus. A description of OPG's segments is provided in OPG's 2016 annual MD&A in the section, "Business Segments".

All of OPG's owned and co-owned generating facilities are located in Ontario. OPG does not operate PEC, Brighton Beach, the Bruce A Nuclear Generating Station and the Bruce B Nuclear Generating Station.

The address of the head and registered office of the Company is 700 University Avenue, Toronto, Ontario, M5G 1X6, Canada.

RECENT DEVELOPMENTS

Ontario Fair Hydro Plan

In June 2017, the Ontario government passed the *Ontario Fair Hydro Plan Act, 2017* (the "FHPA"), legislation that permits the refinancing of certain electricity infrastructure costs and provides immediate rate relief to consumers. Under the FHPA, OPG is appointed as financial services manager and is given the authority to, among other things, establish and manage one or more financing entities (the "Financing Entities") to raise debt financing for the purposes of the FHPA (such debt, the "FHPA Debt"). Subject to the terms of the FHPA, the FHPA Debt is ultimately recoverable through amounts charged to electricity consumers. OPG will control the Financing Entities and will provide management and financial services to the Financing Entities to implement the financing plan. The Province has agreed to indemnify the Company, its subsidiaries (other than any Financing Entities) and each of their directors, officers and employees in respect of losses arising directly or indirectly from its activities with respect to the implementation of or relating to the FHPA (subject to limited exceptions, including losses arising as a result of dishonesty, gross negligence or wilful misconduct).

In addition, it is expected that OPG will acquire a portion of the FHPA Debt, which is anticipated to consist of subordinated debt. A significant portion of the Company's investments in the FHPA Debt are expected to be funded through equity investments in OPG by the Province, with a portion of the investments to be funded from the Company's available funds, including all or a portion of the proceeds of any offerings of Notes. See "Use of Proceeds".

Under section 53.1 of the *Electricity Act, 1998*, as amended by the FHPA, regardless of whether a Financing Entity is or is not a subsidiary of OPG:

(a) the assets and liabilities of the Financing Entity shall not form part of the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary); and

(b) the assets and liabilities of OPG or any of its subsidiaries (excluding the Financing Entity if it is a subsidiary) shall not form part of the assets and liabilities of the Financing Entity.

The Financing Entities will not be Designated Subsidiaries of the Company subject to the Trust Indenture provisions, and their assets and liabilities will be excluded for the purposes of definitions and calculations under the Trust Indenture. None of the Company, its subsidiaries, the Trustee or any holder of Notes will have any recourse whatsoever against any Financing Entity or the assets of any Financing Entity, provided that, for clarity, the foregoing will not affect any of the Company's or its subsidiaries' rights and remedies as a holder of FHPA Debt in accordance with the provisions of that indebtedness. See "Description of the Notes - Limitations Regarding Fair Hydro Plan Financing Entities".

CREDIT RATINGS

As of the date of this short form prospectus, Standard & Poor's Ratings Service ("S&P") and DBRS Limited ("DBRS") have each assigned long-term debt ratings of "BBB+" and "A (low)", in respect of the Company.

Credit ratings are intended to provide investors with an independent measure of the credit quality of an issue of securities. The rating agencies rate long-term debt instruments by rating categories ranging from a high of AAA to a low of D. Long-term debt instruments which are rated in the BBB category by S&P are in the fourth highest category and exhibit adequate protection parameters. However, adverse economic conditions or changing circumstances are more likely to weaken the obligor's capacity to meet its financial commitments on the obligation. S&P may modify the ratings from AA to CCC using a plus (+) or minus (-) sign to show relative standing within the major rating categories. Long-term debt instruments which are rated in the A category by DBRS are in the third highest category and are considered to be of a good credit quality, with substantial capacity for the payment of financial obligations. Entities in the A category are considered to be vulnerable to future events, but qualifying negative factors are considered manageable. The "low" modifier indicates relative standing within this rating category by DBRS. In some circumstances, no rating may be assigned to a drawdown, and if a definitive rating is issued, it may differ from the provisional rating.

The ratings mentioned above are not a recommendation to purchase, sell or hold the Company's debt securities including the Notes and do not comment as to market price or suitability for a particular investor. There can be no assurance that the ratings will remain in effect for any given period of time or that the ratings will not be revised or withdrawn entirely by any or all of S&P and DBRS at any time in the future if in their judgment circumstances so warrant.

The Company has made, and anticipates making, payments to each of S&P and DBRS pursuant to the ratings agency services agreements entered into with such credit rating organizations with respect to the ratings assigned to the long-term debt of the Company. In addition, as Notes are issued, the Company expects to make payments to such credit rating organizations pursuant to the ratings agency services agreements entered into with such credit rating organizations for the ratings they assign to the Notes of a particular series. The Company has also made payments to S&P for evaluation services in connection with potential changes in the Company's capital structure. There have been no other services provided by any of such credit rating organizations to the Company within the last two years.

ELIGIBILITY FOR INVESTMENT

In the opinion of Torys LLP, counsel to the Company, and Blake, Cassels & Graydon LLP, counsel to the Dealers, unless otherwise specified in the applicable prospectus supplement or pricing supplement, the Notes, if issued on the date hereof, would be qualified investments under the *Income Tax Act* (Canada) and the regulations thereunder (collectively, the "Tax Act") for a trust governed by a registered retirement savings plan ("RRSP"), registered retirement income fund ("RRIF"), registered education savings plan ("RESP"), registered disability savings plan ("RDSP"), deferred profit sharing plan (other than a trust governed by a deferred profit sharing plan for which any employer is the Company or an employer who does not deal with the Company at arm's length for purposes of the *Tax Act*) or a tax-free savings account ("TFSA").

The Notes will not be a "prohibited investment" (within the meaning of the *Tax Act*) for a TFSA, RRSP or RRIF, provided that the holder of the TFSA or the annuitant of the RRSP or RRIF, (i) deals at arm's length with the Company for purposes of the Tax Act, and (ii) does not have a "significant interest" (within the meaning of the *Tax Act*) in the Company. On March 22, 2017, the Minister of Finance (Canada) announced proposed amendments to the *Tax Act* that would extend the prohibited investment rules to RESPs and RDSPs effective after March 22, 2017. Individuals who hold or intend to hold the Notes in a RRSP, RRIF, RESP, RDSP or TFSA should consult their own tax advisors regarding the application of the foregoing prohibited investment rules in their particular circumstances.

EARNINGS COVERAGE RATIOS

For the twelve months ended December 31, 2016 and the twelve months ended June 30, 2017, the Company's consolidated income before income taxes, interest expense (net of capitalized interest) and non-controlling interest was $761 million and $875 million, respectively. Interest expense (net of capitalized interest) for these periods was $157 million and $137 million, respectively, and including capitalized interest, was $298 million and $295 million, respectively.

The following table sets forth the earnings coverage ratios for the Company for the twelve month period ended December 31, 2016, based on audited information, and for the twelve month period ended June 30, 2017, based on unaudited information, in each case without giving effect to any Notes to be issued under this short form prospectus:

	December 31, 2016	June 30, 2017
Earnings coverage on long-term debt obligations[(1)]	2.5	2.9

(1) The earnings coverage ratios have been calculated as the sum of net income attributable to the shareholder of the Company, income tax expenses and interest expense (net of capitalized interest) divided by the sum of interest expense including capitalized interest after giving effect to a series of debt issuances totalling $400 million and a series of repayments totalling $251 million, as if such amounts had been issued and repaid, respectively, at the beginning of each respective twelve month period. For the twelve months ended December 31, 2016 and the twelve months ended June 30, 2017, the Company's interest expense including capitalized interest after giving effect to such adjustments was $301 million and $299 million, respectively.

DESCRIPTION OF THE NOTES

General

The following is a summary of the material attributes and characteristics of the Notes, and does not purport to be complete and is qualified in its entirety by reference to the Notes and the Trust Indenture (as defined below).

The terms and conditions set forth in this section "Description of the Notes" will apply to each Note unless otherwise specified in the applicable prospectus supplement or pricing supplement. The Company reserves the right to set forth in a prospectus supplement or pricing supplement specific variable terms of or amendments to the Notes which are not within the options and parameters set forth in this short form prospectus. References in this section "Description of the Notes" refer to all medium term notes of the Company which have previously been or are to be issued under the Trust Indenture.

This short form prospectus qualifies under applicable Canadian securities laws the distribution of $2,000,000,000 aggregate principal amount of Notes in Canadian currency (or the equivalent thereof in other currencies or currency units at the time of issue) which have been authorized for issue under the Trust Indenture. This amount is subject to amendment from time to time as determined by the Company.

Notes issued hereunder will have a term to maturity of not less than one year and will be issuable in Canadian currency (or in other currencies or currency units at the time of issue) in fully registered definitive or global form, in which case the Notes will be exchangeable only under certain conditions for definitive Notes (as described under the heading "Global Notes" below). Each interest-bearing Note will bear interest at either a fixed rate (a "Fixed Rate Note") or a floating rate (a "Floating Rate Note"). Notes will be issued from time to time at such rates of interest and at par, at a premium or at a discount, may be subject to redemption or repayment prior to maturity, or may include terms entitling the Company to extend the maturity dates of the Notes, which terms shall be determined by the Company based on a number of factors, including advice from the Dealers. The Notes will be unsecured and will, at their respective dates of issue, rank *pari passu* with all other unsecured and unsubordinated Indebtedness and obligations of the Company then outstanding, except as to any sinking fund which pertains exclusively to any particular Indebtedness of the Company. The Company may also, from time to time, issue debt securities and incur additional debt otherwise than through the issuance of Notes pursuant to this short form prospectus.

Neither the aggregate principal amount of Notes which will be issued and sold nor the issue price to the public of the Notes has been established as the Notes will be issued at such times, in such amounts and at such prices as the Company determines from time to time. Notes issued hereunder will be offered and sold during the twenty-five months from the date of issuance of the receipt for this short form prospectus at prices negotiated with the purchasers, and the prices at which the Notes will be offered and sold may vary as between purchasers and during the distribution period. The Notes will be issued from time to time at the discretion of the Company in an aggregate principal amount not to exceed $2,000,000,000 in Canadian currency, or the equivalent thereof calculated at the applicable rates of exchange prevailing at the time of issue of Notes issued in currencies other than Canadian currency.

The specific variable terms of any offering of Notes, including, in the case of Floating Rate Notes, the information necessary for the calculation of interest thereon, will be set forth in a prospectus supplement or pricing supplement to this short form prospectus. Where Notes are offered and sold in currencies other than Canadian dollars, the Canadian dollar equivalent of the offering price and the rate of exchange at the last feasible date will be included in the applicable prospectus supplement or pricing supplement.

Trust Indenture

The Notes will be issued under a trust indenture dated as of ■, 2017, as supplemented or modified from time to time (collectively, the "Trust Indenture") between the Company and BNY Trust Company of Canada, as trustee (the "Trustee", which term shall include, unless the context otherwise requires, its successors and assigns). The following is a brief summary of the material attributes and characteristics of the Trust Indenture. This summary does not purport to be complete and reference should be made to the Trust Indenture for more detailed information.

The Trust Indenture permits the issuance from time to time of additional unsecured medium term notes without limitation as to aggregate principal amount, subject to compliance with the covenants contained therein.

The Notes will be direct obligations of the Company and will rank *pari passu* with all other medium term notes from time to time issued and outstanding under the Trust Indenture and with other present and future unsubordinated and unsecured Indebtedness of the Company, except as to any sinking fund which pertains exclusively to any particular Indebtedness of the Company. The Notes will not be secured by any mortgage, pledge or charge, except in the circumstances referred to under the subheading "Negative Pledge".

Negative Pledge

The Trust Indenture contains provisions to the effect that the Company will not, and will not permit any Designated Subsidiary (as defined below) to, create or permit to subsist any Security Interest (as defined below) to secure any Indebtedness (as defined below) without contemporaneously providing to the Trustee a ratable and *pari passu* Security Interest in the same collateral. This covenant is, however, subject to the following exceptions:

- any Security Interest that secures an obligation of a Designated Subsidiary which exists prior to the date on which it becomes a Designated Subsidiary and which (a) was not incurred in contemplation of such person becoming a Designated Subsidiary and (b) is not applicable to the Company or any other Designated Subsidiary or the properties or assets of the Company or any other Designated Subsidiary;

- any Purchase Money Mortgage (as defined below) or Capital Lease Obligation (as defined below) of the Company or a Designated Subsidiary;

- any Security Interest in an asset, or in the Company's or a Designated Subsidiary's equity or debt interest in, the person holding such asset, created or assumed by the Company or a Designated Subsidiary to secure Non-Recourse Debt (as defined below) of the Company or the Designated Subsidiary in respect of such asset;

- any Security Interest created or assumed by the Company or a Designated Subsidiary to or in favour of a bank or other lending institution to secure indebtedness of the Company or the Designated Subsidiary that is payable on demand or that, on the date of issue or assumption of liability, has a term to maturity (including any right of extension or renewal) of 18 months or less and that is incurred by the Company or the Designated Subsidiary in the ordinary course of business and for the purpose of carrying on the same;

- any Security Interest granted by a Designated Subsidiary in favour of the Company or any wholly-owned Designated Subsidiary;

- any Security Interest in cash or marketable debt securities pledged to secure non-speculative Financial Instrument Obligations (as defined below) incurred in the ordinary course of business for risk management purposes that hedge Indebtedness of the Company or a Designated Subsidiary;

- any Security Interest in an asset acquired by the Company or a Designated Subsidiary that secures obligations of any other person, whether or not such obligations are assumed by the Company or the Designated Subsidiary, provided that the Security Interest exists before the asset is acquired by the Company or the Designated Subsidiary and was not created or assumed in contemplation or as a result of the asset being acquired by the Company or the Designated Subsidiary;

- any Security Interest in cash or marketable debt securities in a sinking fund account established by the Company for a series of notes under the Trust Indenture;

- any Security Interest or right of distress reserved in or exercisable under any lease for rent to which the Company or a Designated Subsidiary is a party and for compliance with the terms of that lease;

- any Security Interest given to an issuing bank to secure letters of credit issued to the IESO in order to comply with IESO's prudential requirements;

- a lien or deposit under workers' compensation, social security or similar legislation or good faith deposits in connection with bids, tenders, leases, contracts or expropriation proceedings, or deposits to secure public or statutory obligations or deposits of cash or obligations to secure surety and appeal bonds;

- any lien or privilege imposed by law, such as builders', carriers', warehousemen's, landlords', mechanics' and material men's liens and privileges, and any lien or privilege arising out of judgments or awards with respect to which the Company or a Designated Subsidiary at the time is prosecuting an appeal or proceedings for review and with respect to which it has secured a stay of execution pending that appeal or proceedings for review; or any liens for taxes, assessments or governmental charges or levies not at the time due and delinquent or the validity of which is being contested at the time by the Company or a Designated Subsidiary in good faith; or undetermined or inchoate lien privileges and charges incidental to current operations which have not at such time been filed pursuant to law against the Company or a Designated Subsidiary or which relate to obligations not due or delinquent; or the deposit of cash or securities in connection with any lien or privilege referred to in this clause;

- any minor encumbrance, such as easements, rights-of-way, servitudes or other similar rights in land granted to or reserved by other persons, rights-of-way for sewers, electric lines, telegraph and telephone lines, oil and natural gas pipelines and other similar purposes, or zoning or other restrictions as to the Company's use of real property, which do not in the aggregate materially detract from the value of that property or materially impair its use in the operation of the business of the Company or a Designated Subsidiary;

- any right reserved to or vested in any municipality or governmental or other public authority by the terms of any lease, license, franchise, grant or permit acquired by the Company or a Designated Subsidiary, or by any statutory provision to terminate any such lease, license, franchise, grant or permit or to purchase assets used in connection with or require annual or other periodic payments as a condition to the continuance thereof;

- any Security Interest granted by the Company or a Designated Subsidiary to (i) a public utility or any Governmental Authority when required by that utility or Governmental Authority, or (ii) any other person as required or imposed by Applicable Law, in each case in connection with the operations of the Company or a Designated Subsidiary;

- any reservation, limitation, proviso or condition, if any, expressed in any original grants to the Company or a Designated Subsidiary from the Crown;

- any Security Interest granted by the Company and/or its Designated Subsidiaries in connection with their respective obligations pursuant to the Ontario Nuclear Funds

Agreement (as defined below), provided that such Security Interest is limited to the interests of the Company and its Designated Subsidiaries, if any, in the segregated funds and/or trust funds (including the proceeds thereof) established pursuant to that agreement or Applicable Law to fund used nuclear fuel and/or other nuclear waste management and/or decommissioning costs;

- any Security Interest in IESO receivables granted in connection with an absolute assignment thereof in a securitization transaction and the proceeds thereof;

- Security Interests securing appeal bonds or other similar Security Interests arising in connection with contracts, bids, tenders or court proceedings, including, without limitation, surety bonds, security for costs of litigation where required by law and letters of credit, or any other instruments serving a similar purpose;

- any other Security Interest created or assumed by the Company or a Designated Subsidiary (in addition to the Security Interests referred to in the paragraphs above) if, after giving effect to the Security Interest, the aggregate amount of all Indebtedness secured by Security Interests permitted by this paragraph only does not at that time exceed 5% of Consolidated Net Worth (as defined below); and

- any extension, renewal, alteration, substitution or replacement, in whole or in part, of a Security Interest referred to in the paragraphs above, provided that the Security Interest is limited to all or part of the same assets (and the proceeds thereof), and the principal amount of the secured obligations, where limited by the foregoing provisions, is not increased by that action to an amount in excess of such limit (except to the extent of any fees, expenses and premiums incurred to discharge such secured obligations).

Limitation on Funded Indebtedness

So long as any of the Notes issued under the Trust Indenture remain outstanding, the Company will not, and will not permit any Designated Subsidiary to, directly or indirectly, issue, incur, assume or otherwise become liable for or in respect of any Funded Indebtedness (as defined below) unless, after giving effect thereto (including the application of the net proceeds thereof), Consolidated Funded Indebtedness (as defined below) would not exceed 75% of Total Consolidated Capitalization (as defined below).

Designation of Subsidiaries as Designated Subsidiaries

The Company may designate a subsidiary of the Company as a Designated Subsidiary provided that:

- none of the shares or ownership interests of the subsidiary are owned by a subsidiary that is not itself a Designated Subsidiary;

- at the time of and after giving effect to the designation, no Event of Default or event that, with the passing of time or the giving of notice or both, would constitute an Event of Default has occurred and is continuing; and

- after giving effect to the designation, the Company would be entitled to issue Funded Indebtedness in the principal amount of at least $1.00.

For greater certainty, no Financing Entity may be a Designated Subsidiary.

The Company may de-designate a Designated Subsidiary from time to time, provided that:

- no Funded Indebtedness of the Company or any other Designated Subsidiary is owed to such Designated Subsidiary and such Designated Subsidiary does not own any ownership interests in any other Designated Subsidiary;

- at the time of and after giving effect to the de-designation, an Event of Default or event that, with the passing of time or the giving of notice or both, would constitute an Event of Default has occurred and is continuing; or

- if, after giving effect to such de-designation, the Company would not be entitled to issue Funded Indebtedness in the principal amount of at least $1.00.

<u>Mergers, Consolidations and Sales of Assets</u>

The Company will not, directly or indirectly through a Designated Subsidiary, enter into a transaction or series of related transactions in which all or substantially all of the undertaking, property and assets of the Company and its Designated Subsidiaries on a consolidated basis would become the property of any person (other than the Company and/or its Designated Subsidiaries), whether by way of reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale, lease or otherwise (provided that, for clarity, the assets and liabilities of any Financing Entity shall not be considered for purposes of such consolidation), unless:

- the Company shall be the surviving person, or the person, if other than the Company, formed by the amalgamation, consolidation or into which the Company is merged or that acquires all or substantially all of the property or assets of the Company and its Designated Subsidiaries, shall be a person organized and validly existing under the federal laws of Canada or any of its provinces or territories and shall expressly assume, by a supplemental indenture executed and delivered to the Trustee in form satisfactory to the Trustee, all of the Company's obligations under the Trust Indenture and all Notes;

- at the time of and immediately after giving effect to the transaction or series of related transactions, no Event of Default (as defined below) or event that, with the passing of time or the giving of notice, or both, would constitute an Event of Default shall have occurred and is continuing;

- neither the Company nor the person, if other than the Company, formed by the amalgamation, consolidation or into which the Company is merged or that acquires all or substantially all of the property or assets of the Company and its Designated Subsidiaries, either at the time of or immediately after the consummation of any such transaction or series of related transactions and after giving full effect thereto, or immediately after compliance with the foregoing provisions, will be insolvent or generally fail to meet, or admit in writing its inability or unwillingness to meet, its obligations as they generally become due; and

- the Company shall have delivered to the Trustee an opinion of the Company's counsel (as to matters customarily addressed by counsel) and an officers' certificate stating that the foregoing conditions precedent have been satisfied, provided that the foregoing shall, to the extent they would otherwise have applied, not in any way limit or prevent the Company and/or its Designated Subsidiaries from entering into, and the Company and/or its Designated Subsidiaries shall be entitled to enter into, any transaction or series of related transactions which result in either or both of the following:

(1) All or substantially all of the hydro-electric generating stations and related assets of the Company and its Designated Subsidiaries becoming the property of any other person (a "successor"), whether by way of reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale, lease or otherwise, provided that:

(a) the successor is a person formed or organized and existing under the laws of Canada or a province or territory thereof and expressly assumes, by a supplemental indenture satisfactory in form to the Trustee and its counsel and executed and delivered to the Trustee, all of the covenants and obligations of the Company under the Trust Indenture and all Notes;

(b) after giving effect to the transaction or series of related transactions (x) the credit rating obtained by the successor from at least two of the designated rating agencies is not below the credit rating of the Company from such designated rating agencies prior to the transaction or series of related transactions, and (y) Consolidated Funded Indebtedness of the successor and its Designated Subsidiaries would not exceed 75% of Total Consolidated Capitalization for the successor and its Designated Subsidiaries;

(c) at the time of and, immediately after giving effect to the transaction or series of related transactions, no Event of Default or event that, with the passing of time or the giving of notice or both, would constitute an Event of Default has occurred and is continuing;

(d) the liabilities of the Company assumed by the successor do not include any liabilities of the Company related to decommissioning of OPG's nuclear generating stations, used nuclear fuel waste management or other nuclear waste management;

(e) neither the Company nor the successor, either at the time of or immediately after the consummation of any transaction or series of related transactions and after giving full effect thereto, or immediately after compliance by the person with the foregoing provisions, will be insolvent or generally fail to meet, or admit in writing its inability or unwillingness to meet, its obligations as they generally become due; and

(f) the Company shall have delivered to the Trustee an opinion of the Company's counsel (as to matters customarily addressed by counsel) and a officers' certificate stating that the foregoing conditions precedent have been satisfied.

For greater certainty, as part of such transaction or series of related transactions, the Company and its Designated Subsidiaries shall have the right, at their discretion, to either retain or transfer to the successor any non-nuclear generation assets or non-hydro-electric generation assets of the Company and its Designated Subsidiaries.

Following completion of such transaction or series of related transactions, and compliance with the foregoing conditions, the Company and its Designated Subsidiaries shall be released of all obligations under the Trust Indenture and all Notes.

(2) All or substantially all of the assets related to the (w) Darlington Nuclear Generating Station, and/or (x) the Pickering Nuclear Generating Stations and/or (y) the Bruce Nuclear Generating Stations, and/or (z) used nuclear fuel waste management and/or other nuclear waste management and/or decommissioning, in each case which are owned by the Company or its Designated Subsidiaries becoming the property of any other person or persons (each, a "NuclearCo"), whether by way of reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale, lease or otherwise, provided that:

(a) after giving effect to the transaction or series of related transactions Consolidated Funded Indebtedness of the Company and its Designated Subsidiaries would not exceed 75% of Total Consolidated Capitalization of the Company and its Designated Subsidiaries;

(b) after giving effect to the transaction or series of related transactions, the credit rating of the Company from at least two of the designated rating agencies is not below the credit rating of the Company from such designated rating agencies prior to the transaction or series of related transactions;

(c) at the time of and, immediately after giving effect to the transaction or series of related transactions, no Event of Default or event that, with the passing of time or the giving of notice or both, would constitute an Event of Default has occurred and is continuing;

(d) the Company will not, either at the time of or immediately after the consummation of any such transaction or series of related transactions and after giving full effect thereto, or immediately after compliance with the foregoing provisions, be insolvent or generally fail to meet, or admit in writing its inability or unwillingness to meet, its obligations as they generally become due;

(e) if an asset disposition as described in paragraph (2)(w), paragraph (2)(x) or paragraph (2)(y) above occurs or will occur, the contractual terms in relation to such transaction or series of related transactions shall include contractual terms relating to the payment by the applicable NuclearCo (or its affiliate or successors) of costs related to decommissioning of the applicable nuclear generating station and management of used nuclear fuel and other nuclear waste arising from the operation of the applicable nuclear generating station, with the amount and timing of such payments by the applicable NuclearCo to be determined by the Company, acting reasonably, having regard to the expected amount and timing of such costs arising in relation to the period following the completion of the applicable transaction (or series of related transactions), the amount of funds that have already been set aside to pay for such costs (whether pursuant to the Ontario Nuclear Funds Agreement or otherwise), and the Company's ability to otherwise collect amounts to pay for such costs; and

(f) the Company shall have delivered to the Trustee an opinion of the Company's counsel (as to matters customarily addressed by counsel) and an officers' certificate stating that the foregoing conditions precedent have been satisfied.

For greater certainty, (i) as part of such transaction or series of related transactions, the Company and its Designated Subsidiaries shall have the right, at their discretion, to either retain or transfer to any NuclearCo any non-nuclear generation assets or non-hydro-electric generation assets of the Company and its Designated Subsidiaries and (ii) so long as the foregoing conditions are complied with, no NuclearCo shall have any obligations under the Trust Indenture or any of the Notes.

Events of Default

The following are Events of Default applicable to all Notes issued pursuant to the Trust Indenture, including the Notes:

(1) failure to pay principal or premium, if any, when due and any such failure continues for a period of five days

(2) failure to make payment of interest when due and any such failure continues for a period of 45 days;

(3) the consummation by the Company of a transaction or series of related transactions, either directly or indirectly through a Designated Subsidiary, in which all or substantially all of the undertaking, property and assets of the Company and its Designated Subsidiaries on a consolidated basis would become the property of any other person (other than the Company and/or its Designated Subsidiaries), whether by way of reorganization, consolidation, amalgamation, arrangement, merger, transfer, sale, lease or otherwise (provided that, for clarity, the assets and liabilities of any Financing Entity shall not be considered for purposes of such consolidation), other than as permitted by or in accordance with the provisions described above under "Mergers, Consolidations and Sales of Assets";

(4) failure to observe or perform any other covenant or condition contained in the Trust Indenture or a Supplemental Indenture if such failure continues for a period of 60 days or more after written notice thereof has been given to the Company by the Trustee or by the holders of at least 25% of all Notes, as the case may be;

(5) the Company or any Material Subsidiary (as defined below) fails to make payment at stated maturity, or otherwise when due, of principal, premium (if any) or interest due on any Indebtedness of the Company or a Material Subsidiary, the outstanding principal amount of which exceeds the greater of $150 million and 1% of the Consolidated Net Worth, beyond the applicable grace period, if any, under the terms of such Indebtedness;

(6) failure by the Company or any Material Subsidiary to observe or perform any provision of any agreement under which Indebtedness of the Company or a Material Subsidiary is created if such failure has the effect of causing more than the greater of $150 million and 1% of the Consolidated Net Worth of such Indebtedness in the aggregate to become due and payable or to be required to be redeemed or repurchased before its stated maturity;

(7) one or more final judgments are rendered against the Company or any Material Subsidiary in an aggregate amount in excess of the greater of $150 million and 1% of the Consolidated Net Worth by a court of competent jurisdiction and remain undischarged or unstayed for a period of 60 days or more;

(8) winding-up, liquidation or dissolution of the Company, or

(9) the making by the Company or any Material Subsidiary of an assignment for the benefit of its creditors or other specified events of bankruptcy or insolvency affecting the Company or any Material Subsidiary (subject to a 60 day cure period if the bankruptcy application is made by a creditor, rather than by the Company or a Material Subsidiary).

If an Event of Default applicable only to the issued and outstanding Notes of a series occurs and is continuing, either the Trustee or the holders of not less than 25% in principal amount of Notes of that series then outstanding may declare the principal of, and interest and premium, if any, on all Notes of that series to be due and payable immediately.

If, however, an Event of Default applicable to all Notes issued and outstanding under the Trust Indenture, or an Event of Default described in clause (5), (6), (7), (8) or (9) above occurs and is continuing, either the Trustee or the holders of not less than 25% in principal amount of all issued and outstanding Notes, treated as one class, may declare the principal amount of all the Notes then outstanding to be due and payable immediately.

Subject to the provisions of the Trust Indenture relating to the duties of the Trustee, in case an Event of Default applicable to any Notes shall occur and be continuing, the Trustee will be under no obligation to exercise any of its rights or powers under the Trust Indenture at the request or direction of any of the holders of those Notes, unless those holders shall have offered to the Trustee reasonable indemnity. Subject to such provisions for the indemnification of the Trustee, the holders of a majority in principal amount of Notes of all series affected by an Event of Default will have the right to direct the time, method and place of conducting any proceedings for any remedy available to the Trustee or exercising any trust or power conferred on the Trustee in respect of the Notes of all series affected by that Event of Default.

Defeasance

The Trust Indenture requires the Trustee to release the Company from its obligations under the Trust Indenture relating to a particular series of Notes if specified conditions are satisfied. Among other things, the Company must deposit money or securities for the payment of all principal of and interest and any other amounts on that series of Notes as well as for the payment of the expenses of the Trustee. The deposited money or securities must be denominated in the currency in which principal of these Notes is payable and, in the case of deposited securities, must constitute direct obligations of Canada or specified provinces of Canada or an agency or instrumentality of Canada.

Amendments and Waivers

The Trust Indenture provides that the Company and the Trustee may enter into supplemental indentures ("Supplemental Indentures") without the consent of the holders of the Notes of any or all series to:

- add limitations or restrictions to be observed upon the amount or issue of Notes, provided that such limitations or restrictions shall not be materially adverse to the interests of the holders of the Notes;
- add covenants for the protection of the holders of the Notes of any series;
- provide for any additional Event of Default;

- make such provisions not inconsistent with the Trust Indenture as may be necessary or desirable with respect to matters or questions arising thereunder, including the making of any modifications in the form of the Notes which do not affect the substance thereof and which it may be expedient to make, provided that such provisions and modifications will not adversely affect the holders of Notes;

- provide for the issue of Notes of any one or more series and establish the form and terms of any series of Notes;

- evidence the succession, or successive successions, of successors to the Company and the covenants and obligations assumed by any such successor, in accordance with the provisions of the Trust Indenture; and

- giving effect to any extraordinary resolution or ordinary resolution of the holders of Notes in accordance with the Trust Indenture.

Other amendments and modifications of the Trust Indenture, Supplemental Indentures and Notes may be made by the Company and the Trustee with the consent of the holders of not less than 66⅔% (and in certain circumstances, a majority) in principal amount of Notes of all series voting on such amendment or modification and, if the rights of holders of Notes of a particular series of Notes would be affected differently than rights of holders of Notes of other series, not less than 66⅔% (and, in certain circumstances, a majority) in principal amount of Notes of the series so affected by that modification or amendment voting on such amendment or modification, in each case, voting as one class. However, no modification or amendment may, without the consent of the holder of each outstanding Note of the affected series,

- reduce the principal amount at maturity of, extend the fixed maturity of, or alter the redemption provisions of, those Notes;

- change the currency in which those Notes or any premium or accrued interest is payable;

- reduce the percentage in principal amount at maturity outstanding of those Notes that must consent to an amendment, supplement or waiver or consent to take any action under the Trust Indenture, Supplemental Indenture or those Notes;

- impair the right to institute suit for the enforcement of any payment on or with respect to those Notes;

- waive a default in payment with respect to those Notes;

- reduce the rate or extend the time for payment of interest on those Notes;

- affect the ranking of those Notes in a manner adverse to the holders; or

- make any changes to the Trust Indenture, Supplemental Indentures or those Notes that would result in the Company being required to make any withholding or deduction from payments made under or with respect to those Notes.

The holders of $66^{2}/_{3}$% in principal amount of the Notes of all series with respect to which an Event of Default shall have occurred and be continuing, voting as one class, may waive any Event of Default, except in the case of a default in payment of principal with respect to the Notes or except, further, in respect of a covenant or provision which cannot be modified or amended without the consent of the holder of each outstanding Note affected.

Limitations Regarding Fair Hydro Plan Financing Entities

All assets and liabilities held by any Financing Entity , as well as the Financing Entities, shall be disregarded in the determination of Consolidated Funded Indebtedness, Consolidated Net Worth and Total Consolidated Capitalization, and will not be considered Designated Subsidiaries or Material Subsidiaries under the Trust Indenture (notwithstanding the consolidation of such Financing Entities in OPG's financial statements). None of OPG, its subsidiaries, the Trustee or any holder of Notes shall have any recourse whatsoever against any Financing Entity or the assets of any Financing Entity, provided that, for clarity, the foregoing will not affect any of the Company's or its subsidiaries' rights and remedies as a holder of Indebtedness of a Financing Entity in accordance with the provisions of that Indebtedness. Neither the Company nor any Designated Subsidiary may guarantee or have any other Contingent Liabilities in respect of Indebtedness of any Financing Entity to the extent the amount of such guarantees and other Contingent Liabilities in respect of Indebtedness of any Financing Entity exceeds $50,000,000 (the amount of such guarantees and other Contingent Liabilities in respect of Indebtedness of any Financing Entity below such threshold being the "Permitted FHPA Debt"). Other than the Permitted FHPA Debt and holding Indebtedness of Financing Entities, neither the Company nor any Designated Subsidiary will have any Contingent Liabilities in respect of Indebtedness of any Financing Entity.

Definitions

In addition to the definitions set out above, the Trust Indenture contains definitions substantially to the following effect:

"Applicable Law" means all laws, statutes, by-laws, rules, regulations, principles of law and equity, orders, ordinances, legally binding codes, guidelines, standards and policies and other similar requirements, whether international, multinational, national, federal, provincial, state, county, municipal, local or other domestic or foreign, and the terms and conditions of any approval, permit, authorization, registration, certificate, franchise or licence, in each case of any Governmental Authority;

"Capital Lease Obligation" means any monetary obligation of the Company or a Designated Subsidiary under any leasing or similar arrangement which, in accordance with GAAP, would be classified as a capital lease and for the purposes of the Trust Indenture, the amount of Capital Lease Obligations shall be the capitalized amount thereof, determined in accordance with GAAP;

"Consolidated Funded Indebtedness" means, at any time and from time to time, the aggregate amount of all Funded Indebtedness of the Company and its Designated Subsidiaries determined as at such time on a consolidated basis in accordance with GAAP. For greater certainty, the Funded Indebtedness of the Financing Entities (with the exception of any outstanding Permitted FHPA Debt as at that date) shall not be included in determining "Consolidated Funded Indebtedness";

"Consolidated Net Worth" means, at any time and from time to time, the consolidated shareholders' equity of the Company and its Designated Subsidiaries as at such time determined in accordance with GAAP. For greater certainty, (i) the shareholders' equity of any subsidiary that is not a Designated Subsidiary and (ii) the shareholders' equity, if any, of the Financing Entities shall not be included in determining "Consolidated Net Worth";

"Contingent Liability" means any agreement, undertaking or arrangement by which any person guarantees, endorses or otherwise becomes or is contingently liable upon (by direct or indirect agreement,

contingent or otherwise, to provide funds for payment, to supply funds to, or otherwise to invest in, a debtor, or otherwise to assure a creditor against loss) the obligations of any other person (other than by endorsements of instruments in the course of collection), or guarantees the payment of dividends or other distributions upon the shares of any other person. The amount of any person's obligation under any Contingent Liability will, subject to any limitation contained in that Contingent Liability, be deemed to be the outstanding principal amount (or maximum principal amount, if larger) of the obligation guaranteed thereby;

"Designated Subsidiary" means any subsidiary which is designated as such by the Company in accordance with the covenants described under " – Designation of Subsidiaries as Designated Subsidiaries" until such designation is terminated in accordance with the terms described under " – Designation of Subsidiaries as Designated Subsidiaries";

"Financial Instrument Obligations" means, with respect to any person at any time, the obligations of such person under any transaction that is a rate swap, basis swap, forward rate transaction, commodity swap, commodity option, commodity future, equity or equity index swap or option, bond, note or bill option, interest rate option, forward foreign exchange transaction, cap, collar or floor transaction, currency swap, cross-currency rate swap, swaption, currency option or any other similar transaction (including any option to enter into any of the foregoing) or any combination of the foregoing to the extent of the net amount due to or accruing due by the person thereunder (determined by marking the same to market at such time in accordance with its terms);

"Funded Indebtedness" means with respect to any person and as at any time and from time to time, all Indebtedness created, assumed or guaranteed as at such time by such person which matures by its terms on, or is renewable at the option of such person to, a date more than 18 months after the date of the original creation, assumption or guarantee thereof; provided that any Indebtedness among the Company and its Designated Subsidiaries or among the Company's Designated Subsidiaries, Subordinated Indebtedness, Non-Recourse Debt, Financial Instrument Obligations, Capital Lease Obligations and Purchase Money Obligations shall not be included as Funded Indebtedness. For greater certainty, no Indebtedness created, assumed or guaranteed by a Financing Entity shall be included as Funded Indebtedness of the Company or any Designated Subsidiary (except and only to the extent of any outstanding Permitted FHPA Debt as at such time);

"GAAP" means as at any date of determination:

(1) accounting principles which are recognized as being generally accepted in Canada, if the Company is then preparing its financial statements in accordance with such principles; or

(2) accounting principles which are recognized as being generally accepted in the United States, if the Company is then preparing its financial statements in accordance with such principles;

"Governmental Authority" means any international, multinational, federal, provincial, state, territorial, regional, municipal or local government, any political subdivision thereof or any other governmental, quasi-governmental, judicial, public or statutory instrumental authority, body, agency, department bureau, board, tribunal or entity, or any arbitrator with authority to bind a person at law;

"Indebtedness" means, with respect to any person, without duplication:

(1) all obligations of such person for borrowed money, including obligations with respect to bankers' acceptances and reimbursement obligations in respect of letters of credit;

(2) all obligations issued or assumed by such person in connection with its acquisition of property in respect of the deferred purchase price of that property where such purchase price is deferred six months or longer;

(3) all Capital Lease Obligations and Purchase Money Obligations of such person; and

(4) all Contingent Liabilities of such person in respect of obligations of any person of the type referred to above;

"Material Subsidiary" means, as at any date, a Designated Subsidiary,

(1) the total assets of which represent more than 5% of the total assets of the Company determined on a consolidated basis as shown in the most recent quarterly or annual consolidated financial statements of the Company publicly released or filed with the Trustee; or

(2) the total revenues of which represent more than 5% of the total revenues of the Company determined on a consolidated basis as shown in the most recent quarterly or annual consolidated financial statements of the Company publicly released or filed with the Trustee;

provided that, for greater certainty, (i) the assets and revenues of a subsidiary that is not a Designated Subsidiary, and (ii) the assets and revenues of a Financing Entity shall not, in either case, be included in determining whether a Designated Subsidiary is a "Material Subsidiary"; and provided further that no Financing Entity shall be a Material Subsidiary;

"*Non-Recourse Debt*" means, with respect to a person, any Indebtedness incurred to finance the creation, development, construction, operation or acquisition of an asset of the person or a subsidiary of the person (and any extensions, renewals or refunding of any such Indebtedness) provided that the recourse of the obligee thereof against the person is limited in all circumstances (other than customary exceptions for negligent misrepresentation, fraud and other bad acts) to the asset (including all rights and benefits related to or arising out of the asset) and to the Company's or a Designated Subsidiary's equity or debt interest in, such subsidiary;

"*Ontario Nuclear Funds Agreement*" means the agreement dated as of April 1, 1999 entered into between the Company, certain of its subsidiaries and the Province of Ontario under which, among other things, (i) the parties agree to cause sufficient funds to be accumulated or otherwise be readily available to pay for certain used nuclear fuel and other nuclear waste management and decommissioning costs, (ii) the Province of Ontario agrees to limit the liability that the Company and certain of its subsidiaries face as a result of the increases in certain used nuclear fuel management costs, and (iii) the Province of Ontario agrees to provide certain financial guarantees required by the Company and certain of its subsidiaries under the *Nuclear Safety and Control Act* (Canada), all on and subject to the terms and conditions in that agreement, as amended, supplemented, restated and/or replaced from time to time;

"Purchase Money Mortgage" means any Security Interest, mortgage, pledge, charge or other encumbrance created, issued or assumed by the Company or a Designated Subsidiary to secure a Purchase Money Obligation; provided that the Security Interest, mortgage, pledge, charge or other encumbrance is limited to the property (including associated rights) acquired, constructed, installed or improved using the funds advanced to the Company or a Designated Subsidiary in connection with that Purchase Money Obligation;

"Purchase Money Obligation" means Indebtedness of the Company or a Designated Subsidiary incurred or assumed to finance the purchase price, in whole or in part, of any property (except any Indebtedness which constitutes Funded Indebtedness and which was incurred or assumed to finance the purchase price, in whole or in part, of any shares, bonds or other securities) or incurred to finance the cost, in whole or in part, of construction or installation of or improvements to any real property or fixtures provided that such Indebtedness is incurred or assumed within 24 months after the purchase of such real property or fixtures or the completion of such construction, installation or improvements, as the case may be, and includes any extension, renewal or refunding of any such Indebtedness, so long as the principal amount thereof outstanding on the date of such extension, renewal or refunding is not increased;

"Security Interest" means any assignment, mortgage, charge (whether fixed or floating), hypothec, security interest, pledge, lien, or other encumbrance on or interest in property or assets that secures payment or performance of Indebtedness;

"*Subordinated Indebtedness*" means all Indebtedness of the Company in respect of which, upon any distribution of assets of the Company upon any dissolution, winding-up, liquidation or reorganization of the Company (whether in bankruptcy, insolvency or receivership proceedings or upon an assignment for the benefit of creditors, or any other marshalling of the assets and liabilities of the Company or otherwise), the payment of all Indebtedness and liabilities of the Company in connection with the Notes, including principal, interest, fees and expenses, must be satisfied in full prior to any amount being applied to such Indebtedness;

"Total Consolidated Capitalization" means, at any time and from time to time, without duplication, the sum of (a) the principal amount of all Consolidated Funded Indebtedness; (b) the principal amount of all Subordinated Indebtedness; and (c) the Consolidated Net Worth, in each case, as at such time and as determined by the Company; and

"Wholly-Owned Designated Subsidiary" means a Designated Subsidiary, all of the outstanding shares or other ownership interests in the capital of which are owned, directly or indirectly, by or for the Company and/or by or for one or more other Wholly-Owned Designated Subsidiaries.

Global Notes

Notes may be issued in the form of fully registered global notes ("Global Notes") held by, or on behalf of, CDS Clearing and Depository Services Inc. ("CDS") or another corporation performing similar services that is acceptable to the Trustee (the "Depository") as custodian of the Global Notes and, in such event, Notes will be registered in the name of the Depository or its nominee (a "Nominee"). Where CDS acts as Depository for a series of Notes, The Depositary Trust Company ("DTC"), Euroclear Bank S.A./N.V., as operator of the Euroclear System ("Euroclear") and Clearstream Banking, société anonyme ("Clearstream, Luxembourg"), in each case as direct or indirect participants in CDS, will record beneficial ownership of such series of Notes on behalf of their respective accountholders or participants, to the extent the Company makes such series of Notes eligible with DTC, Euroclear or Clearstream, Luxembourg, as applicable (and the Company specifies as such in the prospectus supplement or pricing supplement with respect to the particular series of Notes).

Purchasers of Notes represented by Global Notes will not receive Notes in definitive form ("Definitive Notes"). Instead, ownership of such Notes will be constituted through beneficial interests in the Global Notes, and will be represented through book-entry accounts of institutions (including the Dealers), as direct and indirect participants of the Depository ("participants") which, to the extent the Depository is CDS, may include DTC, Euroclear and Clearstream, Luxembourg to the extent applicable as noted above, acting on behalf of the beneficial owners of such Notes. Each purchaser of a Note represented by a Global Note will receive a customer confirmation of purchase from the Dealer or other person from or through whom the Note is purchased in accordance with the practices and procedures of such Dealer or other person. The Depository will be responsible for establishing and maintaining book-entry accounts for its participants having interests in Global Notes.

If Global Note(s) are issued and the Depository notifies the Company that it is unwilling or unable to continue as depository in connection with the Global Notes, or if at any time the Depository ceases to be a clearing agency or otherwise ceases to be depository and the Company and the Trustee are unable to locate a qualified replacement, or if the Company elects to terminate the book-entry system, beneficial owners of Notes represented by Global Notes will receive Definitive Notes.

DTC, Euroclear and Clearstream, Luxembourg

Where CDS acts as Depository for a series of Notes, to the extent the Company makes such series of Notes eligible with DTC, Euroclear or Clearstream, Luxembourg (and the Company specifies as such in the prospectus supplement or pricing supplement with respect to such series of Notes), holders may hold such series of Notes through the accounts maintained by DTC, Euroclear or Clearstream, Luxembourg, as applicable, as participants in CDS only if they are participants of those systems, or indirectly through organizations which are participants of those systems.

In such case, DTC, Euroclear and Clearstream, Luxembourg will hold omnibus book-entry positions on behalf of their participants through customers' securities accounts in their respective depositaries which in turn will hold such positions in customers' securities accounts in the names of the nominees of the depositaries on the books of CDS. All securities in DTC, Euroclear and Clearstream, Luxembourg are held on a fungible basis without attribution of specific certificates to specific securities clearance accounts.

Transfers of such Notes by persons holding through Euroclear or Clearstream, Luxembourg participants, as applicable, will be effected through CDS, in accordance with CDS rules, on behalf of the relevant European international clearing system by its depositaries; however, such transactions will require delivery of transfer instructions to the relevant European international clearing system by the participant in such system in accordance with its rules and procedures and within its established deadlines (European time). The relevant European international clearing system will, if the transfer meets its requirements, deliver instructions to its depositaries to take action to effect the transfer of the Notes on its behalf by delivering Notes through CDS and receiving payment in accordance with its normal procedures for next-day funds settlement. Payments with respect to the Notes held through Euroclear or Clearstream, Luxembourg will be credited to the cash accounts of Euroclear participants or Clearstream, Luxembourg participants in accordance with the relevant system's rules and procedures, to the extent received by its depositaries.

All information in this short form prospectus concerning CDS, DTC, Euroclear and Clearstream, Luxembourg, reflects the Company's understanding of the policies of such organizations which may change at any time without notice.

Fixed Rate Notes

Each Fixed Rate Note will bear interest from its original issue date at the rate per annum on the face thereof until the principal amount thereof is paid or made available for payment. Interest on a Fixed Rate Note will be calculated and payable monthly, quarterly, semi-annually or annually in arrears on the dates specified in such Fixed Rate Note, or other such dates as may be agreed to between the purchaser of the Note and the Company (each, an "Interest Payment Date") and at maturity or upon earlier redemption or repayment. Interest Payment Dates will be set forth in the applicable prospectus supplement or pricing supplement for the Fixed Rate Note. Each payment of interest in respect of an Interest Payment Date will include interest accrued to but excluding such Interest Payment Date.

Floating Rate Notes

Each Floating Rate Note will bear interest from its original issue date at rates described in the Floating Rate Note and specified in the applicable prospectus supplement or pricing supplement.

The rate of interest on each Floating Rate Note will be reset monthly, quarterly, or as otherwise specified in the Floating Rate Note and applicable prospectus supplement or pricing supplement. Interest on each Floating Rate Note will be payable monthly, quarterly or as otherwise specified in the Floating Rate Note and applicable prospectus supplement or pricing supplement. Unless otherwise specified in the Floating Rate Note and applicable prospectus supplement or pricing supplement, the Company will be the calculation agent with respect to the Floating Rate Notes. Upon request of the holder of any Floating Rate Note, the Company will provide the interest rate then in effect.

Payment of Interest and Principal

Interest on each interest bearing Note will be payable on such periodic basis or at maturity and on such date or dates as may be agreed upon by the Company and the purchaser of the Note. Payments of interest on each interest bearing Definitive Note will be made by cheque payable on the interest payment date and mailed to the address of, or if so directed by the holder, funds representing the interest payable will be forwarded by electronic funds transfer on the interest payment date to the account of, the holder appearing on the registers maintained by BNY Trust Company of Canada, as registrar and transfer agent (the "Transfer Agent", which term shall include such other registrar or transfer agent as may from time to time be appointed by the Company) at the close of business in the City of Toronto on the tenth business day (with "business day" being a day other than Saturday, Sunday, or a day on which financial institutions in Toronto, Ontario are authorized or obligated by law or regulation to close) prior to the interest payment date or such other day specified to the Trustee by the Company and reflected in a Supplemental Indenture for a particular series of Notes. Payment of principal will be made at any branch in Canada of the bank designated in a Definitive Note against surrender of the Note.

Payment of interest and principal on each Global Note will be made to the Depository or the Nominee, as the case may be, as the registered holder of the Global Note. Interest payments on Global Notes will be made by wire transfer no later than the date interest is payable. Principal payments on Global Notes will be made by wire transfer on the maturity date delivered to the Depository or the Nominee, as the case may be, at maturity against receipt of the Global Note. As long as the Depository or the Nominee is the registered owner of a Global Note, the Depository or the Nominee, as the case may be, will be considered the sole owner of the Global Note for the purposes of receiving payment on the Note and for all other purposes under the Trust Indenture and the Note.

The Company expects that the Depository or Nominee, upon receipt of any payment of principal or interest in respect of a Global Note, will credit participants' accounts, on the date principal or interest is payable, with payments in amounts proportionate to their respective beneficial interests in the principal amount of such Global Note as shown on the records of the Depository or the Nominee. The Company also expects that such payments of principal and interest by participants to the owners of beneficial interests in such Global Note held through such participants will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name" and will be the responsibility of such participants. The responsibility and liability of the Company and the Trustee in respect of Notes represented by Global Notes is limited to making payment of any principal and interest due on such Global Notes to the Depository or the Nominee.

Payments of interest and principal will be made in the currency in which the Note is denominated unless otherwise specified in the applicable prospectus supplement or pricing supplement.

If the payment date for any amount of principal or interest on any Note is not, at the place of payment, a business day such payment will be made on the next business day and the holder of such Note shall not be entitled to any further interest or other payment in respect of such delay.

Transfers

The registered holder of a Definitive Note may transfer such Note upon payment of taxes incidental thereto, if any, by executing the form of transfer provided on the reverse side of the Note and surrendering the Note to the Transfer Agent at its principal office in the City of Toronto, upon which one or more new Definitive Notes will be issued in authorized denominations in the same aggregate principal amount as the Note so transferred, registered in the name or names of the transferee or transferees.

Transfers of beneficial ownership in Notes represented by Global Notes will be effected through records maintained by the Depository for such Global Notes or the Nominee (with respect to the interest of participants) and on the records of participants (with respect to the interest of beneficial owners other than participants). Beneficial owners of an interest in a Note represented by a Global Note who are not participants in the Depository's book-entry system, but who desire to purchase, sell or otherwise transfer ownership of or other interests in Global Notes, may do so only through participants in the Depository's book-entry system. A purchaser's interest in a Note represented by a Global Note will only be exchangeable for Definitive Notes in the limited circumstances set forth under the heading "Global Notes" above and in accordance with the procedures established by the Depository or the Nominee.

The ability of a beneficial owner of an interest in a Note represented by a Global Note to pledge the Note or otherwise take action with respect to such owner's interest therein other than through a participant may be limited due to the lack of a physical certificate.

No transfer of a Note will be registered during the 10 business days immediately preceding any date fixed for payment of interest on such Note or payment of the principal amount thereof.

PLAN OF DISTRIBUTION

Pursuant to the terms of a dealer agreement dated ■, 2017 (the "Dealer Agreement"), the Notes may be offered for sale severally and on a continuous basis by one or more of the Dealers, in each case, acting as agent of the Company or as principal. Where the Notes are offered by the Dealer(s) as agent(s), the commissions payable by the Company in connection with sales of such Notes shall be agreed from time to time between the Company and any such Dealer(s). Where the Notes are purchased by the Dealer(s) as principal, the Notes shall be purchased at such prices and with such commissions as may be agreed from time to time between the Company and any such Dealer(s) for resale to the public at prices to be negotiated with each purchaser. Such resale prices may vary during the distribution period and as between purchasers. Each Dealer's compensation will increase or decrease by the amount by which the aggregate price paid for Notes by purchasers exceeds or is less than the price paid by the Dealer, when purchasing as principal, to the Company. The commissions payable in connection with sales of Notes will be set forth in a prospectus supplement or pricing supplement which will be delivered to purchasers together with this prospectus. The Company may also offer the Notes directly to potential purchasers pursuant to applicable statutory exemptions at prices and upon terms negotiated between the purchaser and the Company, in which case no commissions will be paid to the Dealers.

The obligations of a Dealer under the Dealer Agreement to purchase any particular issue of Notes as principal may be terminated at its discretion upon the occurrence of certain stated events. Such events are set out in detail in the Dealer Agreement and include, but are not limited to: (i) an event which prevents or restricts the trading in the Notes or any other securities of the Company or the distribution of the Notes; (ii) the occurrence of any material change in the business, affairs, operations, assets, liabilities (contingent or otherwise), capital or ownership of OPG taken as a whole; (iii) a public announcement by DBRS or S&P that it has placed under surveillance or review, with possible negative or uncertain implications, its rating of any debt securities of the Company; and (iv) certain downgrades of the ratings assigned by S&P and DBRS to the long-term debt securities of the Company. In addition, the Company has agreed under the terms of the Dealer Agreement to reimburse the Dealers for certain expenses and to indemnify the Dealers against certain liabilities.

The Company and, if applicable, the Dealers, may reject any offer to purchase the Notes in whole or in part. The Company also reserves the right to withdraw, cancel or modify the offering of the Notes under this prospectus without notice.

In connection with any offering of Notes, the Dealers may over-allot or effect transactions which stabilize or maintain the market price of the Notes offered at a level above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time. In addition, the Dealers may from time to time purchase and sell the Notes in the secondary market but are not obliged to do so. Unless otherwise indicated in a prospectus supplement or pricing supplement, there is no market through which Notes may be resold and purchasers may not be able to resell Notes purchased under this short form prospectus. There can be no assurance that there will be a secondary market for the Notes. The offering price and other terms for such sales in the secondary market may, from time to time, be varied by the Dealers.

The offering of Notes hereunder is directed only to residents of the provinces of Canada and in the United States in certain transactions exempt from the provisions of the United States Securities Act of 1933, as amended (the "Securities Act"). The Notes have not been and will not be registered under the Securities Act or any state securities laws and may not be offered or sold within the United States except to "qualified institutional buyers" in reliance upon Rule 144A under the Securities Act. In addition, until 40 days after the commencement of the offering of an issue of Notes, an offer or sale of that issue within the United States by any Dealer (whether or not participating in the offering) may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than in accordance with an exemption under the Securities Act.

Certain of the Dealers may be subsidiaries or affiliates of lenders (the "Lenders") to the Company or its subsidiaries, now or in the future. Proceeds from the sale of particular series or issues of Notes in which such Dealers are acting as principals or Dealer may be used to repay indebtedness owing to one or more of the Lenders. Consequently, if and when there is outstanding indebtedness to any of the Lenders, the Company may be considered a connected issuer of those Dealers who are affiliates of such Lenders for purposes of the securities laws of certain Canadian provinces. The particulars of any such indebtedness will be included in a prospectus supplement or pricing supplement if applicable to any offering of Notes. The decision to distribute the Notes will be made by the Company and the terms and conditions of distribution will be determined through negotiations between the Company and the Dealers. The Lenders will not have any involvement in such decision or determination. Other than payment of their portion of the commissions, if applicable, or as set forth in the applicable prospectus supplement or pricing supplement, none of the proceeds of such offerings of Notes will be applied, directly or indirectly, for the benefit of the Dealers or their affiliates. See “Use of Proceeds”.

USE OF PROCEEDS

The net proceeds from the sale of Notes will be added to the general funds of the Company and, together with funding from other sources, including internally generated funds and other external financings, will be used to finance the Company’s working capital requirements, to repay outstanding bank loans (which may include indebtedness owing to one or more of the Lenders), debentures, notes or other Indebtedness, to make advances to subsidiaries of the Company, to finance the Company’s capital expenditure program, to make acquisitions and for other general corporate purposes. The Company expects that up to $300 million of the net proceeds from the sale of the Notes during the term of this prospectus may be used to finance a portion of the Company’s debt investment in the Financing Entities. See “Recent Developments — Ontario Fair Hydro Plan”. Where appropriate, a prospectus supplement or pricing supplement will contain more specific information about the use of proceeds from each sale of Notes. All expenses relating to an offering of Notes, including any compensation paid to the Dealers, will be paid out of the Company’s general funds or netted out of the proceeds of the particular offering of Notes. The Company may from time to time issue debt instruments and incur additional Indebtedness otherwise than through the issue of Notes pursuant to this short form prospectus.

PRIOR SALES

The Company has not issued Notes or securities convertible or exchangeable into Notes prior to the date hereof.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

General

The following summary describes the principal Canadian federal income tax considerations generally applicable to a purchaser who acquires Notes, including entitlement to all payments thereunder, as a beneficial owner pursuant to this short form prospectus and who, at all relevant times, for purposes of the application of the Tax Act, deals at arm’s length with the Company and each Dealer and holds Notes as capital property (a “Holder”). Generally, Notes will be capital property to a purchaser provided the purchaser does not acquire or hold those Notes in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain purchasers resident in Canada may be entitled to make or may have already made the irrevocable election permitted by subsection 39(4) of the Tax Act the effect of which may be to deem to be capital property any Notes (and all other “Canadian securities”, as defined in the Tax Act) owned by such purchasers in the taxation year in which the election is made and in all subsequent taxation years. Purchasers whose Notes might not otherwise be considered to be capital property should consult their own tax advisors concerning this election.

This summary is based on the current provisions of the Tax Act and on an understanding of the current administrative policies and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the “Proposed Amendments”) and assumes that all Proposed Amendments will be enacted in the form proposed. However, no assurances can be given that the Proposed Amendments will be enacted as proposed, or at all. This summary does not otherwise take into account or anticipate any changes in law or administrative policy or assessing practice whether by legislative, administrative or judicial action nor does it take into account tax legislation or considerations of any province, territory or foreign jurisdiction, which may differ from those discussed herein.

Depending upon the terms of any offering of the Notes as set forth in an applicable prospectus supplement or pricing supplement, the Canadian federal income tax considerations applicable to a Holder of the Notes at the time of such offering may be different from those described below. Such considerations may be described more particularly when such Notes are offered (and then only to the extent material) in the prospectus supplement or pricing supplement related thereto. In the event the Canadian federal income tax considerations are described in such prospectus supplement or pricing supplement, the description below will be superseded by the description in the prospectus supplement or pricing supplement to the extent indicated therein.

This summary is of a general nature only and is not, and is not intended to be, legal or tax advice to any particular purchaser. This summary is not exhaustive of all Canadian federal income tax considerations. Accordingly, prospective purchasers of Notes should consult their own tax advisors having regard to their own particular circumstances.

Currency Conversion

For purposes of the Tax Act, all amounts relating to the acquisition, holding or disposition of the Notes issued in a non-Canadian currency must be converted into Canadian dollars based on exchange rates as determined in accordance with the Tax Act. The amount of interest required to be included in the income of, and capital gains or capital losses realized by, a Holder may be affected by fluctuations in the applicable exchange rate.

Holders Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the application of the Tax Act, is, or is deemed to be, resident in Canada, is not affiliated with the Company or any Dealer and has not entered into and will not enter into, with respect to the Notes acquired by such Holder, a "derivative forward agreement" as defined in the Tax Act (a "Resident Holder").

This portion of the summary is not applicable to (i) a purchaser an interest in which is a "tax shelter investment", (ii) a purchaser that is, for purposes of certain rules (referred to as the mark-to-market rules) applicable to securities held by financial institutions, a "financial institution", or (iii) a purchaser that reports its "Canadian tax results" in a currency other than Canadian currency, each as defined in the Tax Act. Such purchasers should consult their own tax advisors.

On July 18, 2017, the Minister of Finance (Canada) released a consultation paper that included an announcement of the Government's intention to amend the Tax Act to increase the amount of tax applicable to passive investment income earned through a private corporation. No specific amendments to the Tax Act were proposed in connection with this announcement. Resident Holders that are private Canadian corporations should consult their own tax advisors.

Taxation of Interest and other Amounts

A Resident Holder that is a corporation, partnership, unit trust or any trust of which a corporation or partnership is a beneficiary will be required to include in computing its income for a taxation year any interest on a Note that accrues or is deemed to accrue to such Resident Holder to the end of that taxation year, or becomes receivable or is received by the Resident Holder before the end of such year, to the extent that such interest was not included in computing the Resident Holder's income for a preceding taxation year.

Any other Resident Holder, including an individual and a trust of which neither a partnership nor a corporation is a beneficiary, will be required to include in computing its income for a taxation year any interest on a Note that is received or receivable by such Resident Holder in that taxation year (depending on the method regularly followed by the Resident Holder in computing its income) to the extent that such interest was not included in computing the Resident Holder's income for a preceding taxation year. Such a Resident Holder may also be required to include in the Resident Holder's income, for any taxation year that includes an "anniversary day" (as defined in the Tax Act) of the Note, any interest, or amount that is considered for the purposes of the Tax Act to be interest, on the Note which accrues to the Resident Holder to the end of such day, to the extent that such interest was not otherwise included in computing the Resident Holder's income for the year or a preceding taxation year. For this purpose, an "anniversary day" means the day that is one year after the day immediately preceding the date of issue of a Note, the day that occurs at every successive one year interval from that day and the day on which a Note is disposed of.

Where a Resident Holder is required to include an amount on account of interest on a Note that accrued in respect of the period prior to its date of acquisition, the Resident Holder will be entitled to a deduction in computing income of an equivalent amount. The adjusted cost base to the Resident Holder of the Note will be reduced by the amount which is so deducted.

Any amount paid by the Company to a Resident Holder as a premium, penalty or bonus because of early repayment of all or part of the principal amount of a Note before its maturity will be deemed to be received by the Resident Holder as interest on the Note at that time and will be required to be included in computing the Resident Holder's income as described above, to the extent such amount can reasonably be considered to relate to, and does not exceed the value at the time of payment of, interest that, but for the repayment, would have been paid or payable by the Company on the Note for a taxation year of the Company ending after that time.

If the Notes are issued at a discount from their face value, a Resident Holder may be required to include an additional amount in computing its income, either in taxation years in which such amount accrues or in a taxation year in which the discount is received or receivable by the Resident Holder. Resident Holders should consult their own tax advisors in these circumstances as the treatment of the discount may vary with the facts and circumstances giving rise to the discount.

Disposition of Notes

On a disposition or deemed disposition of a Note, including a redemption, repayment prior to or on maturity or repurchase, a Resident Holder will generally be required to include in computing its income for the taxation year in which the disposition occurs the amount of interest that has accrued, or that has been deemed to have accrued, on the Note to that time except to the extent that such amount has otherwise been included in the Resident Holder's income for the year or a preceding taxation year.

Generally, on a disposition or deemed disposition of a Note, including a redemption, payment on maturity or purchase for cancellation, a Resident Holder will realize a capital gain (or capital loss) equal to the amount, if any, by which the proceeds of disposition, net of any amount included in the Resident Holder's income as interest (as described above) and any reasonable costs of disposition, exceed (or are less than) the adjusted cost base to the Resident Holder of the Note immediately before the disposition or deemed disposition. Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a "taxable capital gain") realized in the year.

Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an "allowable capital loss") realized in a taxation year from taxable capital gains realized by the Resident Holder in the year and allowable capital losses in excess of taxable capital gains for the year may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years.

Additional Refundable Tax

A Resident Holder that is, throughout its taxation year, a "Canadian-controlled private corporation" (as defined in the Tax Act) may be subject to pay a refundable tax on its "aggregate investment income" (as defined in the Tax Act), including amounts in respect of taxable capital gains and interest.

Alternative Minimum Tax

Individuals (other than certain trusts) may be subject to an alternative minimum tax under the Tax Act in respect of net capital gains realized by them.

Holders Not Resident in Canada

This portion of the summary is generally applicable to a Holder who, at all relevant times, for purposes of the application of the Tax Act (1) is not, and is not deemed to be, resident in Canada, and (2) does not use or hold the Notes in a business carried on or deemed to be carried on in Canada (a "Non-Resident Holder"). Special rules, which are not discussed in this summary, may apply to a Non-Resident Holder that is an insurer that carries on an insurance business in Canada and elsewhere or is an "authorized foreign bank" as defined in the Tax Act.

This portion of the summary is not applicable to a Non-Resident Holder that is a "specified shareholder" (as defined in subsection 18(5) the Tax Act) of the Company or that does not deal at arm's length for purposes of the Tax Act with a "specified shareholder" of the Company. Generally, for this purpose, a "specified shareholder" is a shareholder that owns or is deemed to own, either alone or together with persons with which the shareholder does not deal at arm's length for purposes of the Tax Act, shares of the Company's capital stock that either (i) give such shareholders 25% or more of the votes that could be cast at an annual meeting of the shareholders or (ii) have a fair market value of 25% or more of the fair market value of all of the issued and outstanding shares of the Company's capital stock. Such Non-Resident Holders should consult their own tax advisors.

No Canadian withholding tax will apply to interest, principal or premium paid or credited to a Non-Resident Holder by the Company on a Note or to the proceeds received by a Non-Resident Holder on the disposition of a Note including a redemption, repayment prior to or on maturity or repurchase, unless all or any portion of such interest is contingent or dependent on the use of or production from property in Canada or is computed by reference to revenue, profit, cash flow, commodity price or any other similar criterion or by reference to dividends paid or payable to shareholders of any class or series of shares of the capital stock of a corporation (the "Participating Debt Interest"). The interest on Fixed Rate Notes, and on Floating Rate Notes in respect of which the payment of interest is determined by reference to published rates of a central banking authority or one or more financial institutions, or to recognized market benchmark interest rates or to interest rates on Government of Canada bonds is not Participating Debt Interest and, as such, no Canadian withholding tax will apply to interest paid or credited or deemed to be paid or credited on such Notes.

Generally, no other Canadian federal taxes on income or gains will be payable by a Non-Resident Holder on interest, principal or premium paid or credited to a Non-Resident Holder by the Company on a Note or on the proceeds received by a Non-Resident Holder on the disposition of a Note including a redemption, repayment prior to or on maturity or repurchase.

RISK FACTORS

In addition to the other information contained and incorporated by reference in this short form prospectus, a purchaser should consult its own financial and legal advisors and should carefully consider the following risk factors before investing in the Notes. Notes will not be an appropriate investment for a purchaser if the purchaser does not understand the terms of the Notes or financial matters in general. A purchaser should not purchase Notes unless the purchaser understands, and can bear, all of the investment risks involving the Notes. For a discussion of the risks to which the Company's business and industry are subject, please see the section entitled "Risk Factors" in the Company's annual information form, and the section entitled "Risk Management" in the Company's annual MD&A. In addition to those risks, an investment in the Notes is subject to the following additional risks:

Rank of Notes and Corporate Structure

The Notes will be direct unsecured obligations of the Company and will rank *pari passu* with all other unsecured and unsubordinated indebtedness of the Company from time to time outstanding, including, but not limited to, indebtedness of the Company under its $1 billion bank credit facility provided by a syndicate of lenders, an aggregate amount of approximately $3.3 billion senior notes payable to the Ontario Electricity Financial Corporation, and its $700 million general corporate credit facility provided by Ontario Electricity Financial Corporation, each as described in Notes 6 and 7 of the Company's financial statements as at and for the fiscal year ended December 31, 2016, its commercial paper program and Notes of every other series issued pursuant to the Trust Indenture. A default by the Company under the Trust Indenture will constitute an event of default under these credit facilities and Notes. There can be no assurance that sufficient funds would be available to the Company at the time of any such default to make any required payment under the Notes.

A significant portion of the Company's assets are owned on by its subsidiaries. The Company's ability to meet its financial obligations will depend, in part, upon the receipt of interest and principal, management fees, cash dividends and other payments from its subsidiaries, together with funds generated from the Company's operations and proceeds raised by the Company through the issuance of debt. The payment of dividends and the making of loans, advances and other payments to the Company by its subsidiaries may be subject to statutory or contractual restrictions, will depend on the earnings of the subsidiaries and will be subject to various business and other considerations.

The Company's subsidiaries are separate legal entities and have no legal obligation, contingent or otherwise, to pay any amount due under the Notes or to make any amounts available to the Company, whether by dividends, interest, loans or other payments. In addition, these subsidiaries have not guaranteed the Notes. Therefore, the Notes will be effectively subordinated to the current and future liabilities, including trade payables and other indebtedness, of the Company's subsidiaries. The creditors of those subsidiaries will have the right to be paid before payment on the Notes from any cash received or held by those subsidiaries. In the event of any bankruptcy, dissolution, liquidation or reorganization of one of those subsidiaries, following payment by the subsidiary of its liabilities, the subsidiary may not have sufficient assets to make payments to the Company in its capacity as an equity holder of such subsidiary.

There May Be No Trading Market for the Notes and if One Develops, the Notes May Be Subject to Trading Price Fluctuations

The Notes are new issues of securities for which, unless otherwise indicated in a prospectus supplement or pricing supplement, there is no existing trading market. The Company cannot predict whether any active trading market will develop for the Notes, even if the Notes are listed on a stock exchange.

Even if an active trading market develops for the Notes, the Notes could trade at prices that may be higher or lower than their initial offering prices, depending on many factors, including prevailing interest rates, the Company's results of operations and financial position, the ratings assigned to the Notes and the Company's other debt securities, and the markets for similar debt securities.

If a holder of Notes sells any Notes before their maturity, such holder may have to do so at a substantial discount from the issue price, and as a result such holder may suffer substantial losses.

Additional Debt Financing May be Required

The Company expects to borrow to repay the Notes when required to do so under the terms of the Notes and to fund capital expenditures. The Company's ability to arrange sufficient and cost-effective debt financing could be adversely affected by a number of factors, including financial market conditions, the regulatory environment in Ontario, the Company's results of operations and financial condition, the ratings assigned to the Company and its debt securities by credit rating agencies, the current timing of debt maturities and general economic conditions.

Shareholder Direction

The Province owns all of the Company's issued and outstanding common shares. Accordingly, the Province has the authority to make appointments to the Company's board of directors and is able to influence major corporate and business decisions. The Company is a party to a memorandum of agreement with the Province (the "MOA"), which serves as the basis of agreement between the Company and the Province regarding the Company's mandate, governance, performance and communications, and establishes accountabilities between OPG and the Province. OPG's strategic imperatives are based on the Company's mandate as set out in the MOA. In addition, the Province has in the past, and may from time to time, provide shareholder directives to the Company that can directly influence major decisions, including those related to project development, timing and strategy of applications for regulated prices, asset divestitures, financing and capital structure. Any such directives could require the Company to undertake activities that result in increased expenditures, that reduce revenues or cash flows or that increase the Company's financial or reputational risk exposure, relative to the business activities or strategies that would have otherwise been undertaken. Conflicts of interest may also arise between the Company and the Province as a result of the Province's broader governmental responsibilities and policy-making objectives (including energy regulatory and environmental matters and the Province's initiatives to mitigate the impact of rising electricity prices on consumers) and the Province's financial interests in dividend or proxy tax payments. There can be no assurance that any potential conflict of interest between the Company and the Province will be resolved on terms satisfactory to the Company, which could have an adverse effect on the Company and its business. Additional information concerning the Company's relationship with the Province is included in the AIF under the section "Interest of Management and Others in Material Transactions – Relationship with the Province and the OEFC".

Investors May Be Subject to the Risk of Exchange Rate Fluctuations

An investment in Notes that are denominated or payable in a currency other than the functional currency of the investor entails significant risks that are not associated with a similar investment in a security denominated in the functional currency of the investor. Such risks include, without limitation, the possibility of significant changes in rates of exchange between the two currencies, the possibility of the imposition or modification of foreign exchange controls in respect of one or both of the currencies, and potential illiquidity in the secondary market. These risks generally depend on circumstances over which the Company has no control including political events, government policy and macroeconomic conditions. These risks will vary depending upon the currency or currencies involved and, where appropriate, will be more fully described in a prospectus supplement or pricing supplement.

In certain circumstances, investors may receive payments in currencies other than the currency in which the Notes are denominated. This may subject investors to exchange rate risk in respect of the conversion of principal and interest payments on the Notes from the currency in which the Notes are denominated to the currency of the payment which they receive, and they may also bear any costs of conversion incurred in connection therewith. For example, to the extent the Company makes a series of Notes eligible with DTC, investors who hold such Notes through DTC where CDS acts as Depository and who do not elect to receive principal and interest payments in Canadian dollars will be subject to exchange rate risk in respect of the conversion of Canadian dollar principal and interest payments to U.S. dollars, and will also bear any costs of conversion incurred in connection therewith.

The Notes will be governed by and construed in accordance with the laws of the Province of Ontario and the laws of Canada applicable therein. A judgment by a Canadian court relating to any Note may be awarded only in Canadian currency and such judgment may be based on a rate of exchange in existence on a day other than the day of payment.

This short form prospectus does not describe all the risks of an investment in the Notes denominated or payable in a currency other than an investor's functional currency, and prospective investors should consult their own financial and legal advisor as to the risks entailed with respect thereto. Notes denominated in currencies other than an investor's functional currency are not appropriate investments for investors who are unfamiliar with foreign currency transactions.

Changes in Interest Rates Will Affect the Market Price or Value of the Notes

Generally, the market price or value of the Notes will decline as prevailing interest rates for comparable debt instruments rise, and increase as prevailing interest rates for comparable debt instruments decline. Fluctuations in interest rates may also impact borrowing costs of the Company which may adversely affect its creditworthiness. It is impossible to predict whether interest rates will rise or fall.

Changes in Creditworthiness or Credit Ratings May Affect the Market Price or Value of the Notes

The perceived creditworthiness of the Company and changes in credit ratings of the Notes may affect the market price or value and the liquidity of the Notes. In addition, negative changes in the Company's credit rating may affect the credit ratings of the Notes.

Floating Rate Notes Are, By Their Nature, Uncertain

Investments in Floating Rate Notes entail risks not associated with investments in Fixed Rate Notes. The resetting of the applicable rate on a Floating Rate Note may result in a lower interest rate as compared to a Fixed Rate Note issued at the same time. The applicable rate on a Floating Rate Note will fluctuate in accordance with fluctuations in the instrument or obligation or other measure on which the applicable rate is based, which in turn may fluctuate and be affected by a number of interrelated factors, including economic, financial and political events over which the Company has no control.

The Notes May Be Subject to Early Redemption

Depending on the terms of the Notes, the Company may have the right to redeem them, or the Notes may be automatically redeemable under some circumstances. If the Notes are redeemed, depending on the market conditions at the time of redemption, a holder of Notes may not be able to reinvest the redemption proceeds in a security with a comparable return.

LEGAL MATTERS

Certain legal matters in connection with any offering hereunder will be passed upon by Torys LLP for the Company and by Blake, Cassels & Graydon LLP for the Dealers. The partners and associates of Torys LLP and Blake, Cassels & Graydon LLP beneficially own, directly or indirectly, less than one percent of the securities of the Company or any associate or affiliate of the Company.

AUDITORS, REGISTRAR AND TRANSFER AGENT

The external auditor of the Company is Ernst & Young LLP, Chartered Professional Accountants, located at 100 Adelaide Street West, PO Box 1, Toronto, Ontario M5H 0B3. Ernst & Young LLP has been the Company's auditors since OPG was formed in 1999, and is independent in accordance with the Rules of Professional Conduct of the Chartered Professional Accountants of Ontario.

Registers for the registration and transfer of the Notes issued in registered form are kept at the principal offices of the Transfer Agent in the City of Toronto.

PURCHASERS' STATUTORY AND CONTRACTUAL RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revision of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revision of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

AGENT FOR SERVICE OF PROCESS IN CANADA

William A. Coley, John Herron, Jim Reinsch and James Sheppard, directors of the Company, reside outside of Canada. Messrs. Coley, Herron, Reinsch and Sheppard have appointed Ontario Power Generation Inc., 700 University Avenue, Toronto, Ontario, M5G 1X6, Canada, as agent for service of process in Canada. Purchasers are advised that it may not be possible for investors to enforce judgments obtained in Canada against any person or company that is incorporated, continued or otherwise organized under the laws of a foreign jurisdiction or resides outside of Canada, even if the party has appointed an agent for service of process.

CERTIFICATE OF ONTARIO POWER GENERATION INC.

Dated: September 1, 2017

This short form prospectus, together with the documents incorporated in this short form prospectus by reference, will, as of the date of the last supplement to this short form prospectus relating to the securities offered by this short form prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus and the supplement(s) as required by the securities legislation of all of the provinces of Canada.

(Signed) Jeffrey Lyash
President and Chief Executive Officer

(Signed) Ken Hartwick
Chief Financial Officer and Senior Vice President – Finance

On behalf of the Board of Directors:

(Signed) Bernard Lord
Director

(Signed) George Lewis
Director

CERTIFICATE OF DEALERS

Dated: September 1, 2017

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated in this short form prospectus by reference will, as of the date of the last supplement to this short form prospectus relating to the securities offered by this short form prospectus and the supplement(s), constitute full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus and the supplement(s) as required by the securities legislation of all the provinces of Canada.

BMO Nesbitt Burns Inc.	**TD Securities Inc.**
By: (Signed) Laith Qamheiah	By: (Signed) Patrick Scace

Goldman Sachs Canada Inc.	**CIBC World Markets Inc.**	**Desjardins Securities Inc.**	**HSBC Securities (Canada) Inc.**
By: (Signed) Luke Gordon	By: (Signed) Scott Burrows	By: (Signed) Ryan Godfrey	By: (Signed) David Loh
Laurentian Bank Securities Inc.	**National Bank Financial Inc.**	**RBC Dominion Securities Inc.**	**Scotia Capital Inc.**
By: (Signed) Thomas Berky	By: (Signed) Tushar Kittur	By: (Signed) Robert M. Brown	By: (Signed) Greg Lawrence