

November 20, 2009

ONTARIO POWER GENERATION REPORTS 2009 THIRD QUARTER FINANCIAL RESULTS

[Toronto]: Ontario Power Generation Inc. (“OPG” or the “Company”) today reported its financial and operating results for the three and nine month periods ended September 30, 2009. Net income for the third quarter of 2009 was \$259 million compared to a net loss of \$142 million in the third quarter of 2008. Net income for the nine months ended September 30, 2009 was \$556 million compared to \$119 million for the same period in 2008.

Net income for the third quarter of 2009 was favourably affected by an increase in earnings from the segregated investment funds that have been established for nuclear fixed asset removal and nuclear waste management (the “Nuclear Funds”). Compared to the same period in 2008, earnings from operations continued to be negatively impacted by a decrease in gross margin related to lower fossil-fuelled generation, lower spot market prices and higher fuel related charges.

“Operational results were significantly affected by a reduction in electricity demand in Ontario and lower spot market prices, which substantially reduced revenue. We continue to focus on enhancing our performance as a public power company committed to operating prudently and efficiently, and on identifying cost reduction opportunities”, said President and CEO Tom Mitchell.

Total electricity generated in the third quarter of 2009 of 22.6 terawatt hours (“TWh”) was 17 percent lower than third quarter 2008 production of 27.3 TWh. The decrease was mainly as a result of lower generation at OPG’s fossil-fuelled stations due to lower primary demand and an increase in generation from other Ontario generators. Unregulated hydroelectric generation declined 0.7 TWh in the third quarter of 2009 compared to the same quarter in 2008 primarily due to lower water levels and the impact of controlled water spills due to unusual Surplus Baseload Generation conditions. Nuclear production increased 0.7 TWh as a result of a decrease in unplanned outage days at the Pickering B nuclear generating station.

For the nine months ended September 30, 2009, total production from OPG’s generating stations was 69.1 TWh compared to 82.6 TWh for the same period in 2008. This decrease primarily reflects lower fossil production of 11.4 TWh, with OPG’s nuclear and hydroelectric generating stations continuing to achieve high levels of reliability, while producing electricity virtually free of greenhouse gas-causing emissions.

Capability factors at the Pickering A and B nuclear stations continued to improve during the third quarter of 2009 compared to the same period in 2008, with the Pickering B station achieving a capability factor of 94.2 percent. The Darlington

nuclear station reported a capability factor of 91.8 percent in comparison to 99.1 percent in the third quarter of 2008. Hydroelectric availability remained at a high level of 93.2 percent for OPG's regulated stations, and 87.2 percent for the unregulated stations. Improved reliability of the fossil-fuelled stations reflects the change in operating strategy to optimize the number of coal-fired units offered into the electricity market.

Segmented Financial Results

OPG's third quarter income before interest and income taxes was \$324 million in 2009 compared to a loss before interest and income taxes of \$37 million in 2008.

Third quarter income before interest and income taxes from OPG's electricity generation business segments was \$219 million in 2009 compared to \$262 million in 2008. Gross margin decreased primarily as a result of lower electricity sales prices for OPG's unregulated generation, lower fossil-fuelled and unregulated hydroelectric generation, and an increase in fuel prices and fuel-related costs. The unfavourable impact of lower generation, lower electricity sales prices and higher fuel prices and fuel related costs were partially offset by revenues related to a contingency support agreement with the Ontario Electricity Financial Corporation ("OEFC") to provide for the continued reliability and availability of the Nanticoke and Lambton generating stations, and by higher prices received for production from OPG's regulated stations.

Income before interest and income taxes from OPG's Regulated – Nuclear Waste Management segment was \$96 million for the third quarter of 2009 compared to a loss of \$340 million in 2008, an increase of \$436 million primarily due to higher earnings from the Nuclear Funds. The increase in the earnings from the Nuclear Funds was primarily due to improvements in valuation levels of global financial markets, which increased the current market value of the Decommissioning Fund.

OPG's income before interest and income taxes was \$787 million for the nine months ended September 30, 2009 compared to \$287 million for the same period in 2008.

Income before interest and income taxes from OPG's electricity generation segments was \$653 million for the nine months ended September 30, 2009 compared to \$815 million for the nine months ended September 30, 2008. Gross margin was lower primarily as a result of lower electricity market prices for production from OPG's unregulated generating stations, lower fossil-fuelled production, and an increase in fuel prices and fuel-related costs. These unfavourable impacts were largely offset by revenues related to the contingency support agreement with the OEFC to maintain availability of the Nanticoke and Lambton stations, the recognition of a regulatory asset related to the tax loss variance account as a result of a 2009 OEB decision, and the corresponding increase in revenue, and higher prices received for production from OPG's regulated stations.

Income before interest and income taxes from OPG's Regulated – Nuclear Waste Management segment was \$75 million for the nine months ended September 30, 2009 compared to a loss before interest and taxes of \$568 million for the nine months ended September 30, 2008, an improvement of \$643 million due to higher earnings from the Nuclear Funds.

Generation Development

OPG is undertaking a number of generation development projects aimed at significantly contributing to Ontario's long-term electricity supply requirements. The status of these projects is as follows:

Nuclear

- On June 29, 2009, the Government of Ontario suspended the competitive Request for Proposal ("RFP") process to procure two new nuclear reactors planned for the Darlington site. OPG continued with two initiatives that were underway – the environmental assessment process and obtaining a site preparation licence. On September 30, 2009, OPG submitted the Environmental Impact Statement and an updated application for the "Licence to Prepare Site" to the Canadian Environmental Assessment Agency and the Canadian Nuclear Safety Commission ("CNSC"). On November 16, 2009, the Joint Review Panel announced the start of the six month public review period for the EIS and the "Licence to Prepare Site".
- Planning work for the assessment of the feasibility of refurbishing the Darlington nuclear generating station began in early 2008. A preliminary feasibility assessment has been completed based on the anticipated Darlington station refurbishment project scope and expected post-refurbishment operating life. OPG is continuing with technical, regulatory and preparatory work, and other analysis related to refurbishing the Darlington nuclear generating station.
- In September 2009, OPG submitted its final Integrated Safety Review report for the Pickering B nuclear generating station to the CNSC. The report concludes that the Pickering B generating station demonstrates a high level of compliance with modern codes and standards. OPG anticipates approval of this report by the CNSC in mid-2010. OPG is assessing a variety of options with respect to future operations at the Pickering nuclear generating stations to determine the preferred strategy for maximizing asset value, including continued operations of the Pickering B nuclear generating station units beyond the current nominal operating lives of 2014 to 2016.

Hydroelectric

- The Niagara tunnel boring machine ("TBM") had advanced 5,418 metres as of September 30, 2009. The TBM reached the milestone of completing 50 percent of the tunnel excavation on August 4, 2009. The advancement of the TBM has been temporarily interrupted since September 11, 2009 to reinforce a short section of the temporary tunnel liner that failed about 1,800 metres behind the current location of the TBM. Installation of the permanent tunnel concrete lining is progressing well and is ahead of the revised schedule. Restoration of the circular cross-section of the tunnel before installation of the upper two-thirds of the concrete lining began, as planned, in September 2009.
- Construction of the Upper Mattagami and Hound Chute development projects continued during the third quarter with fabrication of supplied parts and systems, and delivery of certain major Water-to-Wire equipment. The capacity of the four stations that are being replaced will increase from 23 MW to 44 MW. The stations

are expected to be in service by April 2011. Total project costs are expected to be \$300 million.

- Definition phase activities for the planned Lower Mattagami development to increase the capacity of four stations from 483 MW to 933 MW continued in the third quarter of 2009. Definition phase activities include finalizing cost estimates, negotiating a design-build contract, obtaining regulatory approvals, and negotiating a Hydroelectric Energy Supply agreement with the Ontario Power Authority.

Fossil

- In September 2009, together with the Ministry of Energy and Infrastructure, OPG announced its decision to close four coal-fired units – two units at the Lambton generating station and two units at the Nanticoke generating station. The decision was based on the impact of declining Ontario primary demand, forecast surplus capacity and demand profiles, and reductions in operations, maintenance and administration expense. The closures are expected to occur in October 2010.
- The Lennox generating station operated under a reliability must run contract with the Independent Electricity System Operator as approved by the OEB for the period beginning on October 1, 2008 to September 30, 2009. OPG continues to operate the facility and is in discussions with the Government of Ontario regarding the issuance of a Directive to the OPA to contract with OPG for the capacity of the station for the period commencing October 1, 2009.
- The strategy to convert coal-fired units to alternate fuels continues to advance. Detailed design engineering work on the conversion of the Atikokan generating station to biomass is progressing. OPG is in discussion with the Ministry of Energy and Infrastructure to determine the appropriate mechanism for cost recovery associated with electricity generation using biomass. A cost recovery mechanism is needed prior to OPG issuing a request for proposal for fuel procurement and seeking Board approval to proceed with plant conversions. These two activities are contingent upon discussions with the Ministry. OPG is conducting concept phase engineering for the potential conversion of other coal-fired units.

FINANCIAL AND OPERATIONAL HIGHLIGHTS

<i>(millions of dollars – except where noted)</i>	Three Months Ended September 30		Nine Months Ended September 30	
	2009	2008	2009	2008
<i>Earnings</i>				
Revenue after revenue limit rebate	1,345	1,513	4,223	4,461
Fuel expense	249	334	730	915
Gross margin	1,096	1,179	3,493	3,546
Operations, maintenance and administration expense	653	689	2,157	2,130
Depreciation and amortization	187	162	550	497
Accretion on fixed asset removal and nuclear waste management liabilities	158	151	476	438
(Earnings) losses on nuclear fixed asset removal and nuclear waste management funds	(254)	190	(549)	133
Other net expenses	28	24	72	61
Income before interest and income taxes	324	(37)	787	287
Net interest expense	48	41	130	120
Income tax expenses (recoveries)	17	64	101	48
Net income	259	(142)	556	119
<i>Cash flow</i>				
Cash flow (used in) provided by operating activities	203	434	61	830
<i>Income (loss) before interest and income taxes</i>				
Generating segments	219	262	653	815
Nuclear Waste Management segment	96	(340)	75	(568)
Other segment	9	41	59	40
Total income before interest and income taxes	324	(37)	787	287
<i>Electricity Generation (TWh)</i>				
Regulated – Nuclear	12.9	12.2	34.4	35.6
Regulated – Hydroelectric	5.0	4.7	14.6	14.2
Unregulated – Hydroelectric	3.5	4.2	12.8	14.1
Unregulated – Fossil-Fuelled	1.2	6.2	7.3	18.7
Total electricity generation	22.6	27.3	69.1	82.6
<i>Average electricity sales price (¢/kWh)</i>				
Regulated – Nuclear	5.5	4.9	5.5	4.9
Regulated – Hydroelectric	3.7	3.8	3.7	3.6
Unregulated – Hydroelectric	2.4	4.8	3.2	4.7
Unregulated – Fossil-Fuelled	3.1	5.1	4.1	5.0
OPG average sales price	4.5	4.8	4.5	4.7
<i>Nuclear unit capability factor (percent)</i>				
Darlington	91.8	99.1	81.4	92.9
Pickering A	85.1	84.3	66.7	75.1
Pickering B	94.2	64.2	86.9	69.3
<i>Equivalent forced outage rate (percent)</i>				
Unregulated – Fossil-Fuelled	5.4	7.4	8.6	11.1
<i>Availability (percent)</i>				
Regulated – Hydroelectric	93.2	93.9	93.7	93.4
Unregulated – Hydroelectric	87.2	93.5	93.3	95.6

Ontario Power Generation Inc. is an Ontario-based electricity generation company whose principal business is the generation and sale of electricity in Ontario. Our focus is on the efficient production and sale of electricity from our generation assets, while operating in a safe, open and environmentally responsible manner.

Ontario Power Generation Inc.'s unaudited consolidated financial statements and Management's Discussion and Analysis as at and for the three and nine months ended September 30, 2009, can be accessed on OPG's Web site (www.opg.com), the Canadian Securities Administrators' Web site (www.sedar.com), or can be requested from the Company.

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