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OPG STARTS ENERGY BOARD RATE APPLICATION PROCESS *If granted, rate increase would be the second since 2005*

[Toronto]: Ontario Power Generation (OPG) will be seeking its second rate increase since 2005 when it submits an application to the Ontario Energy Board (OEB) in April. Any new rates stemming from this application would not go into effect until January 2011 and would remain in effect for two years.

Tom Mitchell, OPG's President and CEO, noted that last year, in recognition of the economic downturn, the company did not seek a rate increase and looked for internal cost saving measures instead.

"We deferred our rate application once but we must go to the OEB this year to make a request for an increase in our regulated rates. We continue to look for internal savings on top of the \$85 million we've saved to date," said Mitchell. "We look forward to validating our rate proposal before the regulator."

The proposed increase, if accepted by the OEB, would result in modest increases on the average residential bill of about \$2.75 per month starting in 2011.

The final decision will be made by the OEB after it examines OPG's case for a rate increase. The OEB operates as an adjudicative tribunal and carries out a public hearing to review the rate application.

KEY FACTS

- OPG is the only generating company in the province whose rates are set through a public process, and its net income remains in the Province of Ontario.
- The application is for the rate OPG receives for the output from its Darlington and Pickering stations and from its hydroelectric plants at Niagara and Cornwall. These plants produce about 70 per cent of the electricity produced by OPG.
- In 2009, OPG received 5.5 cents a kWh for its nuclear output, and 3.7 cents a kWh for its regulated hydroelectric output.

- OPG's prices are below those received by most other generating companies. Thus OPG's prices help to hold down the overall costs for electricity that are paid by consumers.
- The current commodity price for residential and other small volume consumers under the Regulated Price Plan of the OEB is 5.8 cents per kWh. This applies to the first 1,000 kilowatt hours used in a month. After the first 1,000 kilowatt hours, the price rises to 6.7 cents per kWh.
- OPG began stakeholder information sessions today. Public hearings are expected to take place later this year.

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