

June 20, 2014

## **OPG ARRANGES PROJECT FINANCING FOR LOWER MATTAGAMI RIVER PROJECT**

Toronto: Today, Ontario Power Generation Inc. (OPG) reached financial close of a \$200 million private placement bond offering to fund the re-development and expansion of four hydroelectric generating stations on the lower part of the Mattagami River in northeastern Ontario.

The bonds were issued by Lower Mattagami Energy Limited Partnership (LMELP), a limited partnership between OPG, as the sole general partner, and LM Energy Inc., a wholly-owned subsidiary of OPG. LMELP reached financial close of the \$200 million private placement issue of senior secured bonds at a fixed 3.416 per cent annual interest rate due June 20, 2024. This is the sixth of several private placement issues of senior secured bonds that are planned to be used to refinance commercial paper or other indebtedness which collectively will complete the forecast \$1.9 billion debt financing required for the project.

The re-development and expansion of four hydroelectric generating stations will utilize available water more efficiently, and increase production of clean and renewable electricity. One additional generating unit is being added to each of three existing stations – Little Long, Harmon and Kipling. The fourth station – Smoky Falls, will be decommissioned and replaced by a new, three-unit, 267 megawatt (MW) generating station. The expanded Lower Mattagami River Complex will have a total generating capacity of 924 MW, an increase of 438 MW.

Construction began in June 2010 and continues to progress well towards completion in 2015. Construction of new units at the Little Long and Harmon sites is now complete. Approximately 1,600 people were employed at peak to work on the project including about 250 First Nation and Métis workers.

The bonds received a long-term credit rating of 'A (high)' by DBRS Ltd., and 'A2' by Moody's. The re-development and expansion is supported by a long-term Hydroelectric Energy Supply Agreement with the Ontario Power Authority.

The Moose Cree First Nation has a share in the two completed units and has an option to acquire up to 25 per cent of the remaining four units when they are in service. OPG 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.

For further information, please contact OPG Media Relations at:  
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