

PowerStream Inc.
Consolidated Balance Sheet (in thousands of dollars)
For the Period Ended September 30, 2004 (Unaudited)

2004

Assets

Current assets:

| | |
|--------------------------------|----------|
| Cash and cash equivalents | \$52,835 |
| Short-term investments | 8,574 |
| Accounts receivable | 42,453 |
| Unbilled revenue | 48,674 |
| Inventories | 8,358 |
| Prepaid expenses | 4,878 |
| Deposits and other receivables | -576 |

165,196

Investment in Richmond Hill Hydro Inc.

Capital assets 349,743

Other assets:

| | |
|--|--------|
| Regulatory assets | -8,894 |
| Restricted Cash: | |
| Long-term portion of customer deposits | 19,472 |
| Deferred Charges | 1,838 |
| Deferred financing charges | 2,607 |
| Intangibles | 1,294 |

531,256

Goodwill 32,988

\$564,244

Liabilities and Shareholder's Equity

Current liabilities:

| | |
|--|--------|
| Bank loan | 25,000 |
| Accounts payable and accrued liabilities | 56,207 |
| Due to related parties | 13,673 |
| Dividend Payable | 25,000 |
| Current portion of long-term debt | 4,559 |

124,439

Long-term debt 246,102

Other liabilities:

| | |
|-----------------------------|--------|
| Long-term customer deposits | 19,472 |
| Upstream charges | 0 |
| Employee future benefits | 3,671 |
| Other | 7,059 |

30,202

400,743

Shareholder's equity

Capital stock:

Authorized:

 Unlimited common shares

Issued:

 Common shares 142,633

Development charge contributions 3,011

Retained earnings 17,857

163,501

564,244

PowerStream Inc.**Consolidated Statement of Earnings and Retained Earnings(in thousands of dollars)
For the Period Ended September 30, 2004 (Unaudited)**

| | 2004 |
|--|----------------|
| REVENUE | |
| Revenue from sale of energy | \$299,237 |
| Cost of energy | \$299,237 |
| | 0 |
| Distribution Services | 57,548 |
| Recovery of Taxes (Other than Income Taxes) | 11,339 |
| Other revenue | 6,052 |
| | 74,939 |
| EXPENSES: | |
| High voltage transformation | 514 |
| Distribution | 6,628 |
| Utilization | 1,544 |
| Billing and collection | 4,323 |
| Administration and general | 10,872 |
| Amounts in lieu of taxes | 1,076 |
| | 24,957 |
| Earnings before the undernoted | 49,982 |
| Amortization of capital assets | 18,649 |
| Interest | 12,090 |
| Sinking fund interest income | 19,243 |
| Earnings before the undernoted | 19,243 |
| Unusual items | 0 |
| Earnings before amounts in lieu of income taxes | 19,243 |
| Amounts in lieu of income taxes | 7,931 |
| Net earnings | 11,312 |
| Retained earnings, beginning of year | 45,224 |
| Less:Dividends/retained earnings adjustment | -38,679 |
| Retained earnings end of period | 17,857 |

PowerStream Inc.
Consolidated Statement of Cash Flows (in thousands of dollars)
For the Period Ended September 30, 2004 (Unaudited)

| | 2004 |
|---|----------------|
| Cash provided by (used in): | |
| OPERATING ACTIVITIES | |
| Net Earnings | \$11,312 |
| Items not affecting cash: | |
| Amortization of capital assets | 17,739 |
| Amortization of debenture discount | 379 |
| Employee future benefits | 583 |
| (Gain) loss on disposal of fixed assets | -122 |
| | 29,891 |
| Change in non-cash operating working capital | |
| Accounts Receivable | -4,200 |
| Unbilled Revenue | 3,770 |
| Inventories | -1,027 |
| Deposit and other receivables | 999 |
| Prepaid Expenses | -4,317 |
| Accounts payable and accrued liabilities | -17,969 |
| Other liabilities | 7,012 |
| Other assets | -1,124 |
| Total non-cash operating working capital | -16,856 |
| | 13,035 |
| FINANCING | |
| Increase(decrease) in Current portion of Long-term debt | 4,559 |
| Increase(decrease) in dividend payable on Vaughan's books | 25,000 |
| Increase(decrease) in customer deposits | -89 |
| Increase(decrease) in due to related parties | -3,118 |
| Increase (decrease) in long-term debt | 33,236 |
| Dividends paid | -38,728 |
| Equity transferred to debt(Vaughan Hydro) | -33,236 |
| Increase (decrease) in deferred charges | 174 |
| | -12,202 |
| INVESTING | |
| Additions to capital assets,net of contribution of capital construction | -20,619 |
| (Increase) decrease in Regulatory Assets | 11,199 |
| (Increase) decrease in short-term investments | 7,777 |
| Cash and cash equivalents for customer deposit | 89 |
| Proceeds on disposal of capital assets | 122 |
| | -1,432 |
| Increase in cash and cash equivalents | -599 |
| Cash and cash equivalents, beginning of year | 53,434 |
| Cash and cash equivalents, end of year | 52,835 |