

**PowerStream Inc.**  
**Balance Sheet**  
**September 30, 2006 (Unaudited)**  
**(in thousands of dollars)**

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**ASSETS**

CURRENT

Cash and cash equivalents	\$686
Restricted Cash-Current portion of customer deposits	1,605
Short-term investments	0
Accounts receivable	57,744
Unbilled revenue	57,746
Inventory	5,259
Prepays and other	547

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123,587

PROPERTY, PLANT AND EQUIPMENT

394,523

OTHER ASSETS

Restricted Cash-Non-current portion of customer deposits	12,006
Deferred debt issue costs, net of amortization	3,255
Intangibles, net of amortization	344
Goodwill	32,988

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**\$566,703**

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**LIABILITIES**

CURRENT

Accounts payable and accrued liabilities	84,478
Income taxes payable	1,602
Due to related parties	7,949
Liability for subdivision	2,393

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96,422

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LONG-TERM LIABILITIES

Notes payable	146,102
Debentures payable	100,000
Regulatory Liabilities	17,024
Customer deposits	12,006
Employee future benefits	6,083
Other	1,316

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282,531

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**SHAREHOLDER'S EQUITY**

SHARE CAPITAL	149,433
CONTRIBUTED SURPLUS	14,324
RETAINED EARNINGS	23,993

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187,750

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**\$566,703**

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**PowerStream Inc.**  
**Statement of Earnings and Retained Earnings**  
**For the Period Ended September 30, 2006 (Unaudited)**  
**(in thousands of dollars)**

<b>REVENUE</b>	
Energy and distribution	\$445,480
Other revenue	4,369
	<b>449,849</b>
<b>EXPENSES:</b>	
Cost of power purchased	363,733
High voltage transformation	591
Distribution	8,723
Utilization	2,542
Billing and collection	4,702
Administration and general	12,137
Taxes, other than amounts in lieu of corporate income taxes	1,584
	<b>394,012</b>
EARNINGS BEFORE AMORTIZATION, INTEREST AND INCOME TAXES	<b>55,837</b>
AMORTIZATION OF CAPITAL ASSETS AND INTANGIBLES	<b>21,101</b>
INTEREST EXPENSE	<b>9,949</b>
INCOME BEFORE INCOME TAXES	<b>24,787</b>
INCOME TAX EXPENSE	<b>9,744</b>
NET EARNINGS FOR THE PERIOD	<b>15,043</b>
RETAINED EARNINGS, BEGINNING OF PERIOD	<b>15,505</b>
DIVIDENDS PAID	<b>(6,555)</b>
RETAINED EARNINGS, END OF PERIOD	<b>\$23,993</b>

**PowerStream Inc.**  
**Statement of Cash Flows**  
**For the Period Ended September 30, 2006 (Unaudited)**  
**(in thousands of dollars)**

<b>NET (OUTFLOW) INFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES</b>	
<b>OPERATING</b>	
Net Earnings for the period	<b>\$15,043</b>
Adjustments to determine cash provided by operating activities	
Amortization of property, plant and equipment	<b>21,538</b>
Amortization of debt issue costs	<b>415</b>
Amortization of intangibles	<b>357</b>
Employee future benefits	<b>789</b>
Increase in regulatory liabilities	<b>1,709</b>
(Gain) loss on disposal of fixed assets	<b>(23)</b>
	<b>39,828</b>
Change in non-cash operating working capital	
Accounts Receivable	<b>(24,024)</b>
Unbilled Revenue	<b>8,369</b>
Inventories	<b>515</b>
Prepaid Expenses	<b>(60)</b>
Accounts payable and accrued liabilities	<b>(10,745)</b>
Income tax payable	<b>486</b>
	<b>(25,459)</b>
	<b>14,369</b>
<b>FINANCING</b>	
Increase in liability for subdivision development	<b>470</b>
Dividend paid	<b>(6,555)</b>
Decrease in customer deposits	<b>(1,372)</b>
Decrease in due to related parties	<b>(8,663)</b>
Increase in other liabilities	<b>385</b>
	<b>(15,735)</b>
<b>INVESTING</b>	
Intangibles	<b>(140)</b>
Decrease in restricted cash - customer deposits	<b>1,372</b>
Decrease in short-term investments	<b>6,608</b>
Expenditure on capital assets, net of contribution of capital construction	<b>(39,288)</b>
Proceeds on disposal of capital assets	<b>23</b>
	<b>(31,425)</b>
<b>Decrease in cash and cash equivalents during the period</b>	<b>(32,791)</b>
<b>Cash and cash equivalents, beginning of the period</b>	<b>33,477</b>
<b>Cash and cash equivalents, end of period</b>	<b>\$686</b>