

PowerStream Inc.
Statement of Earnings and Retained Earnings
For the Period Ended SEPT 30, 2007 (Unaudited)
(in thousands of dollars)

| | |
|--|-----------|
| REVENUE | |
| Energy and distribution | \$459,886 |
| Other revenue | 4,463 |
| Total Revenue | 464,349 |
| <hr/> | |
| COST OF POWER | 374,965 |
| | 89,384 |
| <hr/> | |
| OMA EXPENSES | 30,017 |
| <hr/> | |
| EARNINGS BEFORE AMORTIZATION, INTEREST AND INCOME TAXES | 59,367 |
| AMORTIZATION OF CAPITAL ASSETS AND INTANGIBLES | 22,101 |
| INTEREST EXPENSE | 10,757 |
| <hr/> | |
| INCOME BEFORE INCOME TAXES | 26,509 |
| INCOME TAX EXPENSE | 10,604 |
| <hr/> | |
| NET EARNINGS FOR THE PERIOD | 15,905 |
| RETAINED EARNINGS, BEGINNING OF PERIOD | 28,432 |
| DIVIDENDS PAID | (4,736) |
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| RETAINED EARNINGS, END OF PERIOD | \$39,601 |

PowerStream Inc.
Balance Sheet
Sept 30, 2007 (Unaudited)
(in thousands of dollars)

ASSETS

CURRENT

| | |
|--|---------|
| Cash and cash equivalents | \$6,999 |
| Restricted Cash-Current portion of customer deposits | 1,022 |
| Short-term investments | 0 |
| Accounts receivable | 63,546 |
| Unbilled revenue | 60,710 |
| Inventory | 6,935 |
| Prepays and other | 673 |

139,885

PROPERTY, PLANT AND EQUIPMENT

419,684

OTHER ASSETS

| | |
|--|--------|
| Restricted Cash-Non-current portion of customer deposits | 11,951 |
| Deferred debt issue costs, net of amortization | 2,701 |
| Intangibles, net of amortization | 138 |
| Goodwill | 32,988 |

\$607,347

LIABILITIES

CURRENT

| | |
|--|--------|
| Accounts payable and accrued liabilities | 81,657 |
| Income taxes payable | 2,151 |
| Due to related parties | 24,736 |
| Liability for subdivision | 1,420 |

109,964

LONG-TERM LIABILITIES

| | |
|--------------------------|---------|
| Notes payable | 154,255 |
| Debentures payable | 100,000 |
| Regulatory Liabilities | 17,383 |
| Customer deposits | 11,951 |
| Employee future benefits | 7,046 |
| Other | 3,390 |

294,025

SHAREHOLDER'S EQUITY

| | |
|---------------------|---------|
| SHARE CAPITAL | 149,433 |
| CONTRIBUTED SURPLUS | 14,324 |
| RETAINED EARNINGS | 39,601 |

203,358

\$607,347

PowerStream Inc.
Statement of Cash Flows
For the Period Ended SEPT 30, 2007 (Unaudited)
(in thousands of dollars)

| NET (OUTFLOW) INFLOW OF CASH RELATED TO THE FOLLOWING ACTIVITIES | |
|--|-----------------|
| OPERATING | |
| Net Earnings for the period | \$15,905 |
| Adjustments to determine cash provided by operating activities | |
| Amortization of property, plant and equipment | 22,769 |
| Amortization of debt issue costs | 415 |
| Amortization of intangibles | 87 |
| Employee future benefits | 724 |
| Increase in regulatory liabilities | 2,829 |
| (Gain) loss on disposal of fixed assets | (19) |
| | <u>42,710</u> |
| Change in non-cash operating working capital | |
| Accounts Receivable | (1,745) |
| Unbilled Revenue | (8,031) |
| Inventories | (1,528) |
| Prepaid Expenses | (107) |
| Accounts payable and accrued liabilities | (7,858) |
| Income tax payable | 1,196 |
| | <u>(18,073)</u> |
| | <u>24,637</u> |
| FINANCING | |
| Increase in liability for subdivision development | 0 |
| Dividend paid | (4,736) |
| Decrease in customer deposits | (706) |
| Increase in due to related parties | 13,985 |
| Increase in long term debt | 6,098 |
| Increase in other liabilities | 1,251 |
| | <u>15,892</u> |
| INVESTING | |
| Intangibles | (1) |
| Decrease in restricted cash - customer deposits | 706 |
| Decrease in short-term investments | 0 |
| Expenditure on capital assets, net of contribution of capital construction | (37,682) |
| Proceeds on disposal of capital assets | 19 |
| | <u>(36,958)</u> |
| Decrease in cash and cash equivalents during the period | 3,571 |
| Cash and cash equivalents, beginning of the period | 3,428 |
| Cash and cash equivalents, end of period | \$6,999 |