

# PowerStream Inc.

## Balance Sheet

September 30, 2010

(in thousands of dollars)(Unaudited)

	September 30, 2010	December 31, 2009
<b>ASSETS</b>		
<b>CURRENT</b>		
Cash	\$ 1,331	\$ 42,612
Accounts receivable (net of allowance)	79,936	73,633
Unbilled revenue	91,653	88,160
Income taxes recoverable	1,969	1,525
Inventories	3,948	3,869
Prepays and other	1,243	2,581
	<u>180,080</u>	<u>212,380</u>
Property, Plant and Equipment	631,247	601,764
Regulatory Assets	35,538	26,433
Deferred Charges, net of amortization	620	644
Intangibles	3,048	3,614
Future Income Tax Assets	61,665	61,665
Goodwill	42,543	42,543
	<u>\$ 954,741</u>	<u>\$ 949,043</u>
<b>LIABILITIES</b>		
<b>CURRENT</b>		
Accounts payable and accrued liabilities	\$ 89,830	\$ 111,405
Income taxes payable	5,034	5,034
Due to related parties	18,441	12,049
Short term Debt	40,000	40,000
Liability for subdivision development	2,782	3,375
	<u>156,087</u>	<u>171,863</u>
<b>LONG-TERM LIABILITIES</b>		
Notes payable	\$ 182,430	\$ 182,430
Debentures payable	123,591	123,091
Bank term Loan	50,000	50,000
Regulatory liabilities	78,585	91,140
Customers' deposits	16,049	16,726
Employee future benefits	12,709	12,036
Liability for subdivision development	4,917	4,917
Other liabilities	23,441	5,421
Construction Deposits	23,172	23,172
	<u>514,894</u>	<u>508,933</u>
<b>SHAREHOLDERS' EQUITY</b>		
SHARE CAPITAL	247,183	247,183
RETAINED EARNINGS	36,577	21,064
	<u>283,760</u>	<u>268,247</u>
	<u>\$ 954,741</u>	<u>\$ 949,043</u>

**PowerStream Inc.**  
**Statement of Earnings and Retained Earnings**

Period ended September 30, 2010  
(in thousands of dollars)(Unaudited)

	<b>2010</b>	<b>2009</b>
	<b>(9 months)</b>	<b>(12 months)</b>
REVENUE		
Sale of Energy	527,452	621,719
Distribution Revenue	113,868	146,076
Other Revenue	6,369	9,889
<b>Total Revenue</b>	<b>647,689</b>	<b>777,684</b>
Cost of Power Purchased	527,452	621,719
	<b>120,237</b>	<b>155,965</b>
Operating Expenses	<b>38,690</b>	<b>62,601</b>
Earnings before Amortization, Interest and Income Taxes	<b>81,547</b>	<b>93,364</b>
Amortization of Property, plant and equipment and Intangibles	<b>32,463</b>	<b>42,125</b>
Net Interest Expense	<b>16,317</b>	<b>21,614</b>
	<b>32,767</b>	<b>29,625</b>
Income Tax Expense	<b>6,722</b>	<b>8,561</b>
Net earnings and comprehensive income for the year	<b>26,045</b>	<b>21,064</b>
Retained Earnings, Beginning of Period	<b>21,064</b>	
Dividends	<b>(10,532)</b>	
Retained Earnings, End of Period	<b>\$ 36,577</b>	<b>\$ 21,064</b>

**PowerStream Inc.**  
**Statement of Cash Flows**

Period ended September 30, 2010  
(in thousands of dollars)(Unaudited)

	2010 ( 9 months)	2009 ( 12 months)
<b>OPERATING ACTIVITIES</b>		
Net earnings for the period	26,045	21,064
Adjustments to determine cash provided by operating activities		
Amortization of property, plant and equipment	33,242	42,006
Accretion of debentures payable	500	629
Amortization of intangibles	1,531	2,701
Amortization of deferred charges	24	31
Employee future benefits	673	923
Decrease in regulatory assets and liabilities	(21,660)	(23,280)
Gain on disposal of property, plant and equipment	549	(218)
Future Income Taxes	-	6,759
Net change in non-cash operating working capital	(30,556)	(25,478)
	10,348	25,137
<b>FINANCING ACTIVITIES</b>		
Decrease in liability for subdivisions development	(593)	(3,164)
Increase in due to related parties	6,392	2,150
(Decrease) Increase in long-term customers' deposits	(677)	1,223
Increase (decrease) in other liabilities	18,020	(47)
Obligations to predecessor shareholders	-	(31,082)
Dividends Paid	(10,532)	-
Increase in Short-Term Debt	-	15,000
Construction Deposits	-	23,172
	12,610	7,252
<b>INVESTING</b>		
Proceeds on disposal of property, plant and equipment	119	248
Purchase of Intangibles	(965)	(6,314)
Expenditure on property, plant and equipment, net of contribution of capital construction	(63,393)	(67,419)
	(64,239)	(73,485)
<b>NET DECREASE IN CASH DURING THE PERIOD</b>	(41,281)	(41,096)
<b>CASH, BEGINNING OF PERIOD</b>	42,612	83,708
<b>CASH AND CASH EQUIVALENTS, END OF PERIOD</b>	\$ 1,331	\$ 42,612