Independent Electricity Market Operator
Statement of Operations and Accumulated Surplus
(Unaudited)

(in thousands of Canadian dollars)	For the three months ended March 31, 2002	For the three months ended March 31, 2001
	$	$
REVENUES		
System fees	36,236	24,844
Ancillary services, rural rate assistance and remote subsidies	62,577	61,551
TOTAL REVENUES	**98,813**	**86,395**
EXPENSES		
Cost of ancillary services, rural rate assistance and remote subsidies	62,577	61,551
Labour	12,769	10,027
Transition costs	537	2,043
Computer services and support	4,275	2,075
Telecommunications	1,444	1,684
Other costs	2,591	1,951
Amortization	10,695	2,291
TOTAL EXPENSES	**94,888**	**81,622**
Net Income Before Interest	**3,924**	**4,773**
Interest income	602	463
Interest expense	(5,867)	(1,544)
NET INCOME (LOSS) FOR THE PERIOD	**(1,341)**	**3,691**
ACCUMULATED SURPLUS - BEGINNING OF PERIOD	**9,604**	**8,562**
ACUMULATED SURPLUS - END OF PERIOD	**8,263**	**12,253**

IMO Independent Electricity Market Operator

Independent Electricity Market Operator
Statement of Financial Position
(Unaudited)

(in thousands of Canadian dollars)	As at March 31, 2002	As at December 31, 2001
	$	$
ASSETS		
Current Assets		
Cash & cash equivalents	119,087	116,109
Amount due under Transitional Revenue Allocation Agreement	33,731	33,468
Prepaid expenses & receivables	4,863	5,735
	157,681	**155,312**
Property & Equipment		
In service	247,912	251,072
Construction-in-progress	7,674	6,689
	255,586	**257,761**
Other Assets		
Prepaid operating expenses	275	440
Prepaid pension expense	24,153	24,103
	24,428	**24,543**
TOTAL ASSETS	**437,695**	**437,616**
LIABILITIES		
Current Liabilities		
Accounts payable & accrued liabilities	45,166	50,146
Accrued interest	9,536	3,702
	54,702	**53,848**
Long-term Debt	353,200	353,200
Accrual for Employee Future Benefits Other than Pensions	21,530	20,964
TOTAL LIABILITIES	**429,432**	**428,012**
ACCUMULATED SURPLUS	**8,263**	**9,604**
TOTAL LIABILITIES & ACCUMULATED SURPLUS	**437,695**	**437,616**

IMO Independent Electricity Market Operator

Independent Electricity Market Operator
Statement of Cash Flows
(Unaudited)

(in thousands of Canadian dollars)	For the three months ended March 31, 2002	For the three months ended March 31, 2001
	$	$
OPERATING ACTIVITIES		
Net Income (loss) for Period	(1,341)	3,691
Adjustments for non-cash items:		
Amortization	10,695	2,291
Increase in prepaid pension expense	(50)	(1,050)
Increase in accrual for employee future benefits other than pensions	565	275
	9,869	5,208
Changes in non-cash items related to operations:		
Decrease in accounts payable and accrued liabilities	2,138	3,629
Decrease/(Increase) in prepaid expenses and receivables	1,037	(810)
Increase in amount due under Transitional Revenue Allocation Agreement	(246)	(517)
	2,929	2,303
Cash provided from operations	**12,798**	**7,510**
INVESTING ACTIVITIES		
Investment in Property & Equipment	(9,820)	(16,742)
Cash used in investing	**(9,820)**	**(16,742)**
NET CHANGE IN CASH & CASH EQUIVALENTS	**2,978**	**(9,232)**
CASH & CASH EQUIVALENTS - BEGIINING OF PERIOD	116,109	105,622
CASH & CASH EQUIVALENTS - END OF PERIOD	**119,087**	**96,390**

Supplementary Information: (in thoursands of Canadian dollars)

Interest Paid	**nil**	**nil**

IMO Independent Electricity Market Operator

Independent Electricity Market Operator
Notes to Financial Statements
(Unaudited)

First Quarter - 2002

1) Interim Financial Statements

The interim financial statements follow the same accounting policies and methods of their application as the 2001 annual financial statements. The interim financial statements should be read in conjunction with the 2001 annual financial statements.

2) Capital Commitments

As at March 31, 2002, the IMO had non-cancelable capital commitments of $16,667,531.

Independent
Electricity
Market Operator