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

(in thousands of Canadian dollars)	For the three months ended March 31, 2003	For the three months ended March 31, 2002
	$	**$**
REVENUES		
System fees	40,300	36,236
Other Income	523	-
Ancillary services, rural rate assistance and remote subsidies	-	62,577
TOTAL REVENUES	**40,823**	**98,813**
EXPENSES		
Cost of ancillary services, rural rate assistance and remote subsidies	-	62,577
Labour	14,745	12,990
Computer services and support	2,761	3,891
Telecommunications	1,363	1,444
Other costs	3,211	3,292
Amortization	10,257	10,695
TOTAL EXPENSES	**32,337**	**94,889**
Net Income Before Interest	**8,486**	**3,924**
Interest income	872	602
Interest expense	(5,907)	(5,867)
NET INCOME (LOSS) FOR THE PERIOD	**3,451**	**(1,341)**
ACCUMULATED SURPLUS - BEGINNING OF PERIOD	**10,715**	**9,604**
ACUMULATED SURPLUS - END OF PERIOD	**14,166**	**8,263**

IMO Independent Electricity Market Operator

Independent Electricity Market Operator
Statement of Financial Position
(Unaudited)

(in thousands of Canadian dollars)	As at March 31, 2003	As at December 31, 2002
	$	$
ASSETS		
Current Assets		
Cash & cash equivalents	72,695	47,818
Temporary Investments	58,731	65,158
Prepaid expenses & receivables	16,429	18,174
	147,855	**131,150**
Property & Equipment		
In service	227,386	237,001
Construction-in-progress	16,655	14,243
	244,041	**251,244**
Other Assets		
Prepaid pension expense	23,410	24,447
	23,410	**24,447**
TOTAL ASSETS	**415,306**	**406,841**
LIABILITIES		
Current Liabilities		
Accounts payable & accrued liabilities	14,057	15,775
Accrued interest	9,583	3,749
Current portion of long-term debt	275,000	275,000
	298,640	**294,524**
Long-term Debt	78,200	78,200
Accrual for Employee Future Benefits Other than Pensions	24,300	23,402
TOTAL LIABILITIES	**401,140**	**396,126**
ACCUMULATED SURPLUS	**14,166**	**10,715**
TOTAL LIABILITIES & ACCUMULATED SURPLUS	**415,306**	**406,841**

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, 2003	For the three months ended March 31, 2002
	$	$
OPERATING ACTIVITIES		
Net Income (loss) for Period	3,451	(1,341)
Adjustments for non-cash items:		
Amortization	10,257	10,695
Decrease/(Increase) in prepaid pension expense	1,037	(50)
Increase in accrual for employee future benefits other than pensions	897	565
	15,642	9,869
Changes in non-cash items related to operations:		
Decrease in accounts payable and accrued liabilities	4,564	2,155
Decrease in prepaid expenses and receivables	1,746	1,020
Increase in amount due under Transitional Revenue Allocation Agreement	-	(246)
	6,310	2,929
Cash provided from operations	**21,952**	**12,798**
INVESTING ACTIVITIES		
Net Sale of Temporary Investments	6,427	-
Investment in Property & Equipment	(3,502)	(9,820)
Cash used in investing	**2,925**	**(9,820)**
NET CHANGE IN CASH & CASH EQUIVALENTS	**24,877**	**2,978**
CASH & CASH EQUIVALENTS - BEGIINING OF PERIOD	47,818	116,109
CASH & CASH EQUIVALENTS - END OF PERIOD	**72,695**	**119,087**

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 - 2003

1) Interim Financial Statements

The interim financial statements follow the same accounting policies and methods of their application as the 2002 annual financial statements. The interim financial statements should be read in conjunction with the 2002 annual financial statements.

2) Comparative Figures

Certain of the 2002 comparative figures in the financial statements have been reclassified to conform to the 2003 financial statement presentation.

Independent Electricity Market Operator