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

(in thousands of Canadian dollars)	For the three months ended June 30, 2003	For the six months ended June 30, 2003	For the three months ended June 30, 2002	For the six months ended June 30, 2002
	$	$	$	$
REVENUES				
System fees	34,968	75,268	35,081	71,171
Other income	4,440	4,963	348	494
Ancillary services, rural rate assistance and remote subsidies	-	-	20,859	83,436
TOTAL REVENUES	**39,408**	**80,231**	**56,288**	**155,101**
EXPENSES				
Cost of ancillary services, rural rate assistance and remote subsidies	-	-	20,859	83,436
Labour	14,384	29,129	14,922	27,912
Computer services and support	2,412	5,173	1,281	5,172
Telecommunications	531	1,894	2,252	3,697
Other costs	2,964	6,175	2,619	5,905
Amortization	10,251	20,508	10,970	21,665
TOTAL EXPENSES	**30,542**	**62,879**	**52,903**	**147,787**
Net Income Before Interest	**8,866**	**17,352**	**3,385**	**7,314**
Interest income	1,053	1,925	633	1,235
Interest expense and financing charges	(5,891)	(11,798)	(5,217)	(11,089)
NET INCOME (LOSS) FOR THE PERIOD	**4,028**	**7,479**	**(1,199)**	**(2,540)**
ACCUMULATED SURPLUS - BEGINNING OF PERIOD	**14,166**	**10,715**	**8,263**	**9,604**
ACUMULATED SURPLUS - END OF PERIOD	**18,194**	**18,194**	**7,064**	**7,064**

IMO Independent Electricity Market Operator

Independent Electricity Market Operator
Statement of Financial Position
(Unaudited)

(in thousands of Canadian dollars)	As at June 30, 2003	As at December 31, 2002
	$	$
ASSETS		
Current Assets		
Cash & cash equivalents	62,315	47,818
Temporary Investments	74,440	65,158
Prepaid expenses & receivables	16,436	18,174
	153,191	**131,150**
Property & Equipment		
In service	233,188	237,001
Construction-in-progress	4,873	14,243
	238,061	**251,244**
Other Assets		
Prepaid pension expense	22,294	24,447
	22,294	**24,447**
TOTAL ASSETS	**413,546**	**406,841**
LIABILITIES		
Current Liabilities		
Accounts payable & accrued liabilities	13,453	15,775
Accrued interest	3,772	3,749
Current portion of long-term debt	275,000	275,000
	292,225	294,524
Long-term Debt	78,200	78,200
Accrual for Employee Future Benefits Other than Pensions	24,927	23,402
TOTAL LIABILITIES	**395,352**	**396,126**
ACCUMULATED SURPLUS	**18,194**	**10,715**
TOTAL LIABILITIES & ACCUMULATED SURPLUS	**413,546**	**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 June 30, 2003	For the six months ended June 30, 2003	For the three months ended June 30, 2002	For the six months ended June 30, 2002
	$	$	$	$
OPERATING ACTIVITIES				
Net Income (loss) for Period	4,028	7,479	(1,199)	(2,540)
Adjustments for non-cash items:				
Amortization	10,251	20,508	10,970	21,665
Decrease/(Increase) in prepaid pension expense	1,116	2,153	(50)	(100)
Increase in accrual for employee future benefits other than pensions	627	1,524	561	1,126
	16,022	31,664	10,282	20,151
Changes in non-cash items related to operations:				
Increase/(Decrease) in accounts payable and accrued liabilities	(5,820)	(1,256)	(4,852)	(2,714)
Decrease/(Increase) in prepaid expenses and receivables	(8)	1,738	(12,147)	(11,110)
Decrease/(Increase) in amount due under Transitional Revenue Allocation Agreemen	-	-	12,872	12,626
	(5,828)	482	(4,127)	(1,198)
Cash provided from operations	**10,194**	**32,146**	**6,155**	**18,953**
INVESTING ACTIVITIES				
Net Sale (Purchase) of Temporary Investments	(15,709)	(9,282)	-	-
Investment in Property & Equipment	(4,865)	(8,367)	(21,189)	(31,009)
Cash used in investing	**(20,574)**	**(17,649)**	**(21,189)**	**(31,009)**
FINANCING ACTIVITIES				
Issue of long-term debt	-	-	-	-
Cash provided from financing	**-**	**-**	**-**	**-**
NET CHANGE IN CASH & CASH EQUIVALENTS	**(10,380)**	**14,497**	**(15,034)**	**(12,056)**
CASH & CASH EQUIVALENTS - BEGIINING OF PERIOD	72,695	47,818	119,087	116,109
CASH & CASH EQUIVALENTS - END OF PERIOD	**62,315**	**62,315**	**104,053**	**104,053**

Supplementary Information: (in thousands of Canadian dollars)

Interest Paid	***11,645***	***11,645***	***11,504***	***11,504***

IMO Independent Electricity Market Operator

Independent Electricity Market Operator
Notes to Financial Statements (unaudited)

2nd 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.

IMO Independent Electricity Market Operator