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

(in thousands of Canadian dollars)	For the three months ended September 30, 2003	For the nine months ended September 30, 2003	For the three months ended September 30, 2002	For the nine months ended September 30, 2002
	$	$	$	$
REVENUES				
System fees	36,905	112,173	38,060	109,231
Other income	(597)	4,366	1,200	1,694
Ancillary services, rural rate assistance and remote subsidies	-	-	-	83,436
TOTAL REVENUES	**36,308**	**116,539**	**39,260**	**194,361**
EXPENSES				
Cost of ancillary services, rural rate assistance and remote subsidies	-	-	-	83,436
Labour	13,124	42,253	11,617	39,539
Computer services and support	2,220	7,393	3,401	8,665
Telecommunications	1,008	2,902	1,329	5,246
Other costs	2,497	8,671	2,154	7,736
Amortization	15,908	36,416	11,389	33,054
TOTAL EXPENSES	**34,757**	**97,635**	**29,890**	**177,676**
Net Income Before Interest	**1,551**	**18,904**	**9,370**	**16,685**
Interest income	1,272	3,197	732	1,967
Interest expense and financing charges	(5,674)	(17,472)	(5,397)	(16,487)
NET INCOME (LOSS) FOR THE PERIOD	**(2,851)**	**4,629**	**4,705**	**2,165**
ACCUMULATED SURPLUS - BEGINNING OF PERIOD	**18,194**	**10,715**	**7,064**	**9,604**
ACUMULATED SURPLUS - END OF PERIOD	**15,343**	**15,343**	**11,769**	**11,769**

IMO Independent Electricity Market Operator

Independent Electricity Market Operator
Statement of Financial Position
(Unaudited)

(in thousands of Canadian dollars)	As at September 30, 2003	As at December 31, 2002
	$	$
ASSETS		
Current Assets		
Cash & cash equivalents	111,105	47,818
Temporary Investments	44,960	65,158
Prepaid expenses & receivables	15,776	18,174
	171,841	**131,150**
Property & Equipment		
In service	220,386	237,001
Construction-in-progress	4,096	14,243
	224,482	**251,244**
Other Assets		
Prepaid pension expense	21,319	24,447
	21,319	**24,447**
TOTAL ASSETS	**417,642**	**406,841**
LIABILITIES		
Current Liabilities		
Accounts payable & accrued liabilities	14,060	15,775
Accrued interest	9,607	3,749
Current portion of long-term debt	275,000	275,000
	298,667	**294,524**
Long-term Debt	78,200	78,200
Accrual for Employee Future Benefits Other than Pensions	25,432	23,402
TOTAL LIABILITIES	**402,299**	**396,126**
ACCUMULATED SURPLUS	**15,343**	**10,715**
TOTAL LIABILITIES & ACCUMULATED SURPLUS	**417,642**	**406,841**

Independent Electricity Market Operator
Statement of Cash Flows
(Unaudited)

(in thousands of Canadian dollars)	For the three months ended September 30, 2003	For the nine months ended September 30, 2003	For the three months ended September 30, 2002	For the nine months ended September 30, 2002
	$	$	$	$
OPERATING ACTIVITIES				
Net Income (loss) for Period	(2,851)	4,629	4,705	2,165
Adjustments for non-cash items:				
Amortization	15,908	36,416	11,389	33,054
Increase in prepaid pension expense	975	3,128	(76)	(176)
Increase in accrual for employee future benefits other than pensions	505	2,029	306	1,432
	14,537	46,202	16,324	36,475
Changes in non-cash items related to operations:				
Increase/(Decrease) in accounts payable and accrued liabilities	6,655	5,399	3,436	722
Decrease/(Increase) in prepaid expenses and receivables	659	2,397	84	(11,026)
Decrease/(Increase) in amount due under Transitional Revenue Allocation Agreement	-	-	-	12,626
	7,314	7,796	3,520	2,322
Cash provided from operations	**21,851**	**53,998**	**19,844**	**38,797**
INVESTING ACTIVITIES				
Net Sale of Temporary Investments	29,480	20,198	-	-
Investment in Property & Equipment	(2,542)	(10,909)	(10,458)	(41,467)
Cash used in investing	**26,938**	**9,289**	**(10,458)**	**(41,467)**
FINANCING ACTIVITIES				
Issue of long-term debt	-	-	-	-
Cash provided from financing	**-**	**-**	**-**	**-**
NET CHANGE IN CASH & CASH EQUIVALENTS	**48,789**	**63,286**	**9,386**	**(2,670)**
CASH & CASH EQUIVALENTS - BEGIINING OF PERIOD	62,315	47,818	104,053	116,109
CASH & CASH EQUIVALENTS - END OF PERIOD	**111,105**	**111,105**	**113,439**	**113,439**

Supplementary Information: (in thoursands of Canadian dollars)

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

IMO Independent Electricity Market Operator

Independent Electricity Market Operator
Notes to Financial Statements (unaudited)

3rd 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) Property and Equipment

In the third quarter of 2003 adjustments were made to reflect management's estimates of remaining asset service lives. The impact of these changes in estimates will result in an increase in amortization expense of $7,251,000 in the year.

3) 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