Financial Statements of

NEWMARKET HYDRO LTD.

December 31, 2003

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Auditors' Report

To the Shareholder of
Newmarket Hydro Ltd.

We have audited the balance sheet of Newmarket Hydro Ltd. as at December 31, 2003 and the statements of earnings and retained earnings and of cash flows for the year then ended. These financial statements are the responsibility of the Corporation's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these financial statements present fairly, in all material respects, the financial position of the Corporation as at December 31, 2003 and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

Deloitte & Touche LLP

Chartered Accountants

Toronto, Ontario
March 26, 2004

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NEWMARKET HYDRO LTD.
Balance Sheet
December 31, 2003

	2003	2002
ASSETS		
CURRENT		
Cash and cash equivalents (Note 3)	**$ 14,033,357**	$ 11,755,220
Accounts receivable	**3,743,351**	3,442,059
Due from IMO	**644,799**	1,692,576
Unbilled revenue	**5,101,094**	4,678,320
Inventory	**723,671**	692,021
Prepaid expenses	**127,268**	163,291
	24,373,540	22,423,487
OTHER ASSETS		
Deferred charges	**58,660**	31,449
Regulatory Assets (Note 4)	**733,484**	413,690
Intangibles	**79,888**	112,132
Other assets	**12,448**	16,048
	884,480	573,319
CAPITAL ASSETS (Note 5)	**36,627,179**	36,534,746
	$ 61,885,199	$ 59,531,552
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities (Note 7)	**$ 5,714,848**	$ 5,208,856
Current portion of customers' deposits	**250,000**	250,000
Developer payables and subdividers' lot levies	**52,586**	17,862
Due to related parties (Note 16)	**4,395,025**	3,710,344
	10,412,459	9,187,062
OTHER		
Customers' deposits	**2,517,456**	2,152,912
Post employment benefits (Note 6)	**371,570**	279,170
	2,889,026	2,432,082
LONG-TERM DEBT (Note 9)	**22,000,000**	22,000,000
	35,301,485	33,619,144
SHAREHOLDER'S EQUITY		
Share capital (Note 10)	**25,806,563**	25,806,563
Retained earnings	**777,151**	105,845
	26,583,714	25,912,408
	$ 61,885,199	$ 59,531,552

APPROVED BY THE BOARD

. . . . Director

. . . . Director

NEWMARKET HYDRO LTD.
Statement of Earnings and Retained Earnings
Year ended December 31, 2003

	2003	2002
SERVICE REVENUE		
Energy and distribution	**$ 54,858,396**	$ 59,155,432
COST OF POWER		
Purchased power	**43,388,138**	47,979,491
Variance account write-off (Note 4)	**-**	2,713,020
	43,388,138	50,692,511
GROSS MARGIN	**11,470,258**	8,462,921
OTHER INCOME		
Standard supply service administration charge	**81,918**	49,532
Retailer charges	**29,957**	17,708
Interest	**396,304**	433,727
Occupancy, connection and collection fees	**358,326**	183,981
Rentals	**30,571**	61,226
Power bill aggregation	**-**	228,723
Miscellaneous	**82,784**	(28,241)
Net gain on disposal of capital assets	**76,940**	11,647
	1,056,800	958,303
OPERATING EXPENSES		
Amortization of capital assets, net of $243,278 (2002 - $170,371) charged to other accounts	**2,970,564**	2,763,019
Amortization of contributions for capital construction	**(291,042)**	(211,939)
System operations and maintenance	**1,761,433**	1,612,021
Customer billing and collecting	**1,708,251**	1,043,769
Community relations and advertising	**68,567**	66,374
Administration	**3,380,660**	1,550,489
Write-off of transition costs	**-**	268,920
Interest	**1,627,178**	1,644,230
Property and capital tax	**231,699**	219,527
	11,457,310	8,956,410
INCOME BEFORE INCOME TAX	**1,069,748**	464,814
INCOME TAX (Note 11)	**398,442**	114,694
NET INCOME	**671,306**	350,120
RETAINED EARNINGS (DEFICIT), BEGINNING OF YEAR	**105,845**	(244,275)
RETAINED EARNINGS , END OF YEAR	**$ 777,151**	$ 105,845

NEWMARKET HYDRO LTD.
Statement of Cash Flows
Year ended December 31, 2003

		2003		2002
NET INFLOW (OUTFLOW) OF CASH RELATED TO THE FOLLOWING ACTIVITIES				
OPERATING				
Net income	**$**	**671,306**	$	350,120
Items not affecting cash				
Amortization of capital assets		**3,213,842**		2,933,390
Amortization of contributions for capital construction		**(291,042)**		(211,939)
Amortization of intangibles		**32,244**		32,246
Employee future benefits		**92,400**		101,633
Write-off of transition costs		**-**		268,920
Gain on disposal of capital assets		**(76,940)**		(11,647)
		3,641,810		3,462,723
Net change in non-cash working capital balances related to operations				
Accounts receivable		**(301,292)**		8,405
Due from IMO		**1,047,777**		(1,692,576)
Unbilled revenue		**(422,774)**		(72,939)
Inventory		**(31,650)**		33,268
Prepaid expenses		**36,023**		(97,209)
Accounts payable and accrued liabilities		**505,992**		(148,785)
		4,475,886		1,492,887
INVESTING				
Additions to capital assets (net of capital contributions)		**(3,015,233)**		(1,729,444)
Increase in intangibles		**-**		(76,956)
Increase in regulatory assets (net)		**(319,794)**		(151,369)
Proceeds from sale of capital assets		**76,940**		11,647
Decrease in other assets		**3,600**		9,657
Increase in deferred charges (net)		**(27,211)**		(9,600)
		(3,281,698)		(1,946,065)
FINANCING				
Increase in customers' deposits		**364,544**		603,453
Increase in developer payables and subdividers' lot levies		**34,724**		2
Increase (decrease) in due to related parties		**684,681**		(259,206)
		1,083,949		344,249
NET CASH INFLOW (OUTFLOW)		**2,278,137**		(108,929)
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR		**11,755,220**		11,864,149
CASH AND CASH EQUIVALENTS, END OF YEAR (Note 3)	**$**	**14,033,357**	$	11,755,220
SUPPLEMENTARY CASH FLOW INFORMATION				
Interest paid	**$**	**1,627,178**	$	2,070,270
Income taxes paid	**$**	**268,051**	$	253,931

1. NATURE OF OPERATIONS

Newmarket Hydro Ltd. (the Corporation) is a wholly-owned subsidiary of Newmarket Hydro Holdings Inc. and was incorporated April 10, 2000 under the laws of the Province of Ontario. The Company commenced operations on November 1, 2000. Newmarket Hydro Holdings Inc. is wholly-owned by the Town of Newmarket.

The principal activity of the Corporation is to distribute electricity to the residents and businesses in the Town of Newmarket under the license issued by the Ontario Energy Board ("OEB"). The Corporation is regulated by the OEB and adjustments to the Corporation's distribution and power rates require OEB approval.

2. SIGNIFICANT ACCOUNTING POLICIES

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP") and policies set forth in the Accounting Procedures Handbook issued by the OEB under the authority of the Ontario Energy Board Act, 1998:

(a) Cash and cash equivalents

Cash equivalents include short-term investments with maturities of three months or less when purchased.

(b) Inventory

Inventory consisting of repair parts, supplies and materials for maintenance and capital expansions is valued at the lower of cost (determined on a first-in, and first-out basis) and net realizable value.

(c) Capital assets

Capital assets are stated at cost which is comprised of material, labour, charges for truck time plus overheads. Amortization is provided on the straight-line basis over the estimated service lives of the assets as summarized below:

Transmission and Distribution systems	25 to 30 years
Plant and equipment	10 to 15 years
Office eqipment	3 to 10 years
Leasehold improvements	5 years
Contributed capital	25 to 30 years

(d) Regulatory assets

Under Bill 210, certain costs and variance account balances are deemed to be "regulatory assets" and are to be reflected in Local Distribution Company's balance sheet until the manner and timing of disposition is determined by the OEB. In November 2003, the Province announced its intention to permit electricity distributors to make applications to the OEB for recovery of the regulatory assets (based on year-end balances as at December 31, 2002) to be phased in over a four year period effective March 1, 2004. (See also Note 4).

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Regulatory assets (continued)

The principle regulatory assets recorded by the Corporation are as follows:

(i) Deferred qualifying transition costs

Deferred qualifying transition costs consist of qualifying capital costs and related expenditures incurred in the preparation for electricity market opening, May 1, 2002. Recovery of the deferred costs is regulated by the OEB.

(ii) Payments in Lieu of Income Taxes (PILs) Variance

Payments in Lieu of Income Taxes variance consists of the difference between the amount of PILs approved by the OEB for recovery through the rates and the actual amount of PILs collected from customers.

(iii) Post-market opening retail transmission variances

Transmission variances are amounts charged by the Independent Market Operator ("IMO") for the operation of the transmission grid as compared to the amount billed to customers based on the OEB's approved rate.

(e) Deferred charges

Deferred charges represent prepaid vehicle lease payments which are amortized over the life of the lease.

(f) Intangibles

Intangibles include corporate restructuring costs that are comprised principally of professional fees. Intangibles are stated at cost and amortized over a five year period.

(g) Contributions for capital construction

Contributions for capital construction consist of third party contributions toward the cost of constructing distribution assets. The third party contribution is calculated through an Economic Evaluation considering capital costs, future revenues and expenses in accordance with the OEB Distribution System Code. They are accounted for as reductions to the cost of related capital assets and are amortized at rates corresponding with the useful lives of the related capital assets.

(h) Subdivider lot levies

Subdivider lot levies received prior to January 1, 2000 are recorded by the Corporation as liabilities until the funds are expended, at which time they are transferred to equity of the Corporation. Lot levies received on or after January 1, 2000 are transferred to contributions for capital construction upon being expended.

2. SIGNIFICANT ACCOUNTING POLICIES (continued)

(i) Revenue recognition

Service revenue is recorded on the basis of regular meter readings and estimated customer usage since the last meter reading date to the end of the period. The related cost of power is recorded on the basis of power billed by the Independent Market Operator (IMO).

(j) Business protection plan rebate

Consumers other than designated consumers who annually utilize more than 250,000 KWh continue to be eligible to receive rebates from the IMO to the extent that electricity prices exceed certain prescribed thresholds. The Corporation is required to pass these rebates through to eligible consumers and other market participants (i.e. retailers). The Corporation includes these rebate amounts due to consumers and market participants as a credit to the customers account or in accounts payable and accrued liabilities.

(k) Payments in Lieu of Income Taxes (PILs)

Under the Electricity Act, 1998, the Corporation is required to make payments-in-lieu of corporate taxes to the Ontario Electricity Financial Corporation (OEFC), commencing October 1, 2001. These payments are calculated in accordance with the rules for computing taxable income and taxable capital and other relevant amounts contained in the Income Tax Act (Canada) and the Corporations Tax Act (Ontario) as modified by the Electricity Act, 1998, and related regulations. Prior to October 1, 2001, the Corporation was not subject to income or capital taxes.

The Corporation uses the taxes payable method of accounting for income taxes. Under the taxes payable method, no provisions are made for future income taxes as a result of temporary differences between the tax basis of assets and liabilities and their carrying amounts for accounting purposes. Rate-regulated enterprises need not recognize future income taxes to the extent that future income taxes are expected to be included in the rates charged to and recovered from future customers.

Payments-in-lieu of income taxes are referred to as income taxes.

(l) Post-employment benefits other than pensions

Newmarket Hydro Ltd. pays certain health, dental and life insurance benefits on behalf of its retired employees. The Corporation recognizes these post-employment costs in the period in which the employees rendered the services.

The transitional obligation resulting from the implementation of this policy in 2000 (applied on a prospective basis) is being amortized over the average remaining service period of employees (11 years).

(m) Use of estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts in the financial statements and accompanying notes. Due to the inherent uncertainty in making estimates, actual results could differ from those estimates.

3. CASH AND CASH EQUIVALENTS

	2003	2002
Cash and cash equivalents	**$ 11,030,632**	$ 11,755,220
Province of Saskatchewan bond	**3,002,725**	-
	$ 14,033,357	$ 11,755,220

Cash and investments included above had a market value of $14,033,357 (2002 - $11,755,220) at the end of the year.

4. REGULATORY ASSETS

Regulatory assets arise as a result of the rate-making process.

	2003	2002
Deferred qualifying transition costs	**$ 419,862**	$ 413,690
Payment in lieu of taxes variances	**(87,177)**	-
Post-market opening retail transmission variances	**400,799**	-
Net Regulatory Assets	**$ 733,484**	$ 413,690

During the year the Corporation accumulated certain variance accounts representing purchase of power costs in excess of revenue billed to customers. The OEB regulates both the rates that can be charged to the Corporation and the rates that the Corporation can charge its customers.

For variances incurred during 2003, the Corporation believes that as a result of the Bill 4 these variances will be recovered or refunded through future rates and have reflected these variance accounts as regulatory assets on the balance sheet. Management will continue to monitor these accounts and assess the likelihood of recovery from future rates on a regular basis.

Write-off of 2002 variance accounts

The balance of variance accounts as at December 31, 2002 in the amount of $2,713,020 was written off as management assessed the likelihood of future recovery to be low. This was in light of the implementation of Bill 210 and the lack of commitment by both the Ontario government and the OEB with respect to the future recovery of these variance accounts. On November 25, 2003 the Ontario government introduced Bill 4, the Ontario Energy Board Amendment Act, 2003. This Bill allowed Newmarket Hydro and all Local Distribution Companies in the Province of Ontario to recover these regulatory assets in their rates over four years, subject to an audit of these regulatory assets by the Ontario Energy Board. The amounts written off in 2002 will be recognized in revenue, if and when the amounts are billed via energy rates over a four year period beginning on April 1, 2004.

4. REGULATORY ASSETS (continued)

The details relating to the variance accounts which were written off in 2002 are as follows:

	Paid to OPG or IMO	Revenue from Customers	Variance Account
Pre-market opening variances			
Cost of power variance	$ 15,890,354	$ (14,555,542)	$ 1,334,812
Post-market opening variances			
Energy variance	26,072,651	(26,072,651)	-
Wholesale market service variance	3,830,478	(2,831,784)	998,694
Transmission variance	4,899,028	(4,519,514)	379,514
	$ 50,692,511	(47,979,491)	$ 2,713,020

5. CAPITAL ASSETS

	2003			2002
	Cost	**Accumulated Amortization**	**Net Book Value**	Net Book Value
Land	**$ 60,975**	**$ -**	**$ 60,975**	$ 46,315
Transmission and distribution systems	**70,024,623**	**(28,395,060)**	**41,629,563**	40,405,884
Plant and equipment	**3,500,458**	**(2,461,079)**	**1,039,379**	666,738
Office equipment	**659,000**	**(431,783)**	**227,217**	194,539
Leasehold improvements	**308,731**	**(96,187)**	**212,544**	77,225
	74,553,787	**31,384,109**	**43,169,678**	41,390,701
Contributions for capital construction	**(7,262,486)**	**719,987**	**(6,542,499)**	(4,855,955)
	$ 67,291,301	**$ 30,664,122**	**$ 36,627,179**	$ 36,534,746

6. POST EMPLOYMENT BENEFITS

The accrued benefit obligation at January 1, 2003 and the net periodic expense for the year ended December 31, 2003 were determined by management estimate based on the actuarial valuation. The last actuarial valuation was dated January 1, 2001. Management's estimate of the valuation at January 1, 2003 determined the accrued benefit obligation to be $592,720 (2002 - $548,460).

Information about the post employment benefits is as follows:

	2003	2002
Accrued benefit obligation, beginning of year	**$ 592,720**	$ 548,460
Unamortized transitional obligation, end of year	**$ 377,185**	$ 398,880

Estimated accrued benefit liability, beginning of year	**$ 279,170**	$ 177,537
Expense for the year, including amortization of the transitional obligation	**107,400**	114,396
Benefits paid during the year	**(15,000)**	(12,763)
Estimated accrued benefit liability, end of year	**$ 371,570**	$ 279,170

The main actuarial assumptions employed for the valuations are as follows:

General inflation

Future general inflation levels, as measured by changes in the Consumer Price Index ("CPI"), were assumed to be 3.5% in 2000 and thereafter.

Interest (discount) rate

The present value as at December 31, 2003 of the future benefits, and the expense for the twelve months ended December 31, 2003, were determined using a discount rate of 6.0%. This corresponds to the assumed CPI rate plus an assumed rate of return of 2.5%.

Salary levels

Future general salary and wage levels were assumed to increase at 2% per annum.

Health costs

Health costs were assumed to increase at the CPI rate plus a further increase of 4% annually, graded down to 1% in 2004 and thereafter.

Dental costs

Dental costs were assumed to increase at the CPI rate plus a further increase of 1.0% in 2000 and thereafter.

7. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

	2003	2002
Accounts payable - purchased power	**$ 3,778,157**	$ 4,240,014
Other accounts payable and accrued liabilities	**1,488,629**	812,833
Income taxes payable	**299,448**	8,648
Deferred revenues	**143,859**	142,606
Upper Canada Energy Alliance	**4,755**	4,755
	$ 5,714,848	$ 5,208,856

8. SHORT TERM CREDIT FACILITIES

(a) 364 Day Revolving Operating Loan

The Corporation has a $1,500,000 operating loan available from a major chartered bank. The purpose is to finance timing differences between deposit maturities, and existing debt and capital requirements, as necessary. This facility is a 364 day revolving operating loan, bearing interest at prime, to be repaid within one year from date of acceptance, unless extended by the bank. A standby fee of 10 basis points, payable quarterly in arrears applies to any unused portion of the facility. As at the balance sheet date, the Corporation has no balance outstanding on this facility (2002 - $Nil). The operating loan includes restrictive clauses with respect to debt repayment.

(b) Prudential Requirements

Part 5.4 of the Independent Market Operator (IMO) Settlements Manual obligated the Corporation to secure prudential support in the amount of $5,406,833 before electricity market opening (May 1, 2002). The Corporation secured the necessary prudential support by means of a $8,505,000 Letter of Credit with a major chartered bank. The Letter of Credit includes restrictive clauses with respect to debt repayment.

9. LONG-TERM DEBT

The Corporation has an unsecured promissory note outstanding in the amount of $22,000,000 to the Town of Newmarket. The note bears interest at a simple annual rate equal to the rate of interest that the Corporation is, from time to time, permitted by the OEB to recover in its rates (currently 7.25% per annum). Interest is due on the last day of each fiscal year, on terms and at such time as may be further determined by the Director of Finance/Town Treasurer in consultation with senior corporate officers of the Corporation. Beginning in 2003, interest was paid quarterly in arrears. Determination of, and changes to, maturity and repayment terms require 13 months notice. The Promissory Note has been subordinated to the IMO Letter of Credit referred to in Note 8.

10. SHARE CAPITAL

Authorized
Unlimited number of common shares

	2003	2002
Issued		
1,001 Common shares	**$ 25,806,563**	$ 25,806,563

11. INCOME TAXES

The Corporation became obligated to make payments-in-lieu of income taxes on October 1, 2001.

The provision for income taxes under the taxes payable method (see Note 2(k)) for the year is $398,442 (2002 - $114,694).

Future income taxes have not been recorded in the accounts as they are expected to be recovered through future distribution rates. As at December 31, 2003 future income tax assets of $3,395,193 (2002 - $3,060,692) have not been recorded on the balance sheet. The future income tax benefit of $334,501 (2002 – expense of $150,574) has not been reflected in the income tax provision for the year ended December 31, 2003.

Significant components of the Corporation's future tax assets as at December 31 are as follows:

	2003	2002
Recoverable corporate minimum tax	**$ -**	$ 10,865
Loss carry forwards	**-**	133,245
Capital assets	**3,260,982**	2,832,496
Post employment benefits	**134,211**	84,086
Net future income tax asset	**$ 3,395,193**	$ 3,060,692

12. PENSION AGREEMENT

The Corporation makes contributions to the Ontario Municipal Employees' Retirement Fund (OMERS), which is a multi-employer plan, on behalf of its employees. The plan is a defined benefit plan which specifies the amount of the retirement benefits to be received by the employees based on the length of service and rates of pay.

During 1998, a contribution holiday was declared by OMERS for the period August 31, 1998 to December 31, 2002. The contribution holiday was phased out starting in 2003 at which time the contributions resumed at 2.1%; for 2004 contributions will be increased back to the original levels.

The amount contributed to OMERS for 2003 was $ 52,290 (2002- $Nil) for current service and is included as an expense on the Statement of Earnings and Retained Earnings.

13. LEGAL PROCEEDINGS

A class action claiming $500 million in restitutionary payments plus interest was served on Toronto Hydro Electric Commission on November 18, 1998. The action was initiated against Toronto Hydro as the representative of the Defendant Class consisting of all municipal electric utilities in Ontario that have charged late payment charges on overdue utility bills at any time after April 1, 1981.

The claim is that late payment penalties result in the municipal electric utilities receiving interest at effective rates in excess of 60% per year, which are illegal under Section 347(1)(b) of the Criminal Code.

The Electricity Distributors Association is undertaking the defense of this class action. At this time it is not possible to quantify the effect, if any, on the financial statements of the Corporation, and as such no accrual of any potential liability has been recognized.

14. FINANCIAL INSTRUMENTS

Fair value

The fair values of the financial instruments included in the financial statements approximate their carrying amounts due to the short-term maturity of those instruments. The fair value of the long-term debt has not been calculated on the basis that the future terms of the promissory notes (Note 9) are indefinite.

Credit risk

The Corporation provides credit to its customers in the normal course of business. The Corporation requires customer deposits and performs credit checks to mitigate any credit risk. Also, the Corporation provides services to a large customer base thereby diversifying its credit risk.

Interest rate risk

The Corporation has an unsecured promissory note outstanding with the interest rate subject to fluctuations based on mutual agreement between the related parties.

15. COMMITMENTS

(a) The Corporation has a five-year lease agreement, which expires in 2006 with the Town of Newmarket for the rental of the 590 Steven Court building. The annual rent payments are $180,000 and are paid quarterly on the last day of the quarter.

(b) In accordance with the OEB Distribution System Code, the Corporation will be required to make payments to developers relating to third party contributions for capital construction. The obligation to make payments will result in a reduction to "Contributions for Capital Construction" once the amount is determinable.

16. RELATED PARTY TRANSACTIONS AND BALANCES

The following summarizes the Corporation's related party **transactions**:

		2003		2002
Town of Newmarket				
Revenues				
Energy sales (at commercial rates)	$	**1,371,747**	$	1,478,980
Services				
Street light capital		**289,757**		133,089
Street lamp maintenance		**224,396**		253,197
Costs				
Interest		**1,595,000**		1,595,000
Rent		**180,000**		180,000
Water bill		**1,119**		1,135
Donations		**1,900,000**		-
Municipal taxes		**79,343**		71,642

The following summarizes the Corporation's related party **balances**:

		2003		2002
Town of Newmarket				
Long term debt (Note 9)	**$**	**22,000,000**	$	22,000,000
Accounts Receivable	**$**	**382,701**	$	360,673
Accounts payable		**(801,673)**		-
Total (Payable) Receivable		**(418,972)**		360,673
Newmarket Hydro Holdings Inc.				
Amounts due to Newmarket Hydro Holdings Inc.		**(3,976,053)**		(4,071,017)
Total due to related parties	**$**	**(4,395,025)**	$	(3,710,344)

17. BILL 210 – ENERGY REBATES

Bill 210 received Royal Assent on November 25, 2002. One of the major premises of the Bill was to retroactively freeze the costs of electricity for designated users at 4.3 cents per KWh. As required by Bill 210, the Corporation issued rebates by way of a $75 cheque to customers prior to December 31, 2002 and a credit to customer accounts as at that date. In turn, the amounts rebated or credited to customers were received from the IMO by way of a credit on the Corporation's power bill.

17. BILL 210 – ENERGY REBATES (continued)

The amounts received or receivable from the IMO for rebates and customer credits totaled $3,357,000 in 2002. As the cost of power is intended to be a pass-through to the end customer, there is no net income affect arising from the rebates and credits. The full balance of this rebate was paid in early 2003.

18. COMPARATIVE FIGURES

Certain prior year comparative figures have been reclassified to conform with the current financial statement presentation.