CONSOLIDATED FINANCIAL STATEMENTS
SEPTEMBER 30, 2005

Attached are the consolidated financial statements of Brascan Power Inc.
Brascan Power Inc. is a subsidiary of Brookfield Asset Management and provides certain guarantees for the operations and debt of Brascan Power Corporation.

BRASCAN POWER INC.
CONSOLIDATED BALANCE SHEET

US$ millions	Note	**September 30 2005**	December 31 2004
		(unaudited)	*(restated - note 2)*
Assets			
Current assets			
Cash and cash equivalents	3	**$ 124**	$ 517
Accounts receivable and other		**278**	263
Securities		**155**	418
		557	1,198
Due from related party	4	**687**	-
Other assets	5	**815**	820
Long-term investments	4, 6	**140**	299
Power generating assets	7, 8	**2,953**	2,766
		$ 5,152	$ 5,083
Liabilities			
Current liabilities			
Accounts payable and other		**$ 183**	$ 183
Credit facilities and current portion of long-term debt	9	**57**	283
		240	466
Due to related party	4	**173**	-
Property specific borrowings	9	**2,334**	2,234
Term debentures	9	**475**	417
Other long-term liabilities	10	**216**	245
Debt portion of capital securities	11	**1,104**	1,119
Non-controlling interests		**260**	297
		4,562	4,312
Shareholders' equity	12	**350**	305
		$ 5,152	$ 5,083

See accompanying notes to the consolidated financial statements.

BRASCAN POWER INC.
CONSOLIDATED STATEMENT OF OPERATIONS

(unaudited) *US$ millions, except per share amounts*	Note	Three months ended September 30 2005	2004	Nine months ended September 30 2005	2004
			(restated- note 2)		*(restated- note 2)*
Revenues	**13**	**$ 139**	$ 149	**$ 568**	$ 487
Net operating income					
Power generation		**77**	75	**318**	262
Transmission and distribution		**6**	4	**18**	16
	13	**83**	79	**336**	278
Investment income (expense) and other	**8**	**(7)**	19	**44**	49
		76	98	**380**	327
Expenses					
Interest and financing fees	**13**	**56**	43	**166**	129
Interest on capital securities	**11**	**31**	5	**88**	11
Depreciation and amortization	**13**	**25**	14	**77**	46
(Recovery of) provision for income taxes		**(10)**	8	**(6)**	31
Non-controlling interests		**-**	5	**15**	27
		102	75	**340**	244
Net (loss) income		**$ (26)**	$ 23	**$ 40**	$ 83
Net (loss) income per common share					
Diluted	**12**	**$ (0.26)**	$ 0.18	**$ 0.37**	$ 0.70
Basic	**12**	**$ (0.26)**	$ 0.23	**$ 0.39**	$ 0.82

See accompanying notes to the consolidated financial statements.

BRASCAN POWER INC.
CONSOLIDATED STATEMENT OF (DEFICIT) RETAINED EARNINGS

(unaudited) *US$ millions*	Three months ended September 30 2005	2004	Nine months ended September 30 2005	2004
		(restated- note 2)		*(restated- note 2)*
(Deficit) retained earnings				
Balance, beginning of period	**$ (182)**	$ 404	**$ (222)**	$ 368
Net (loss) income	**(26)**	23	**40**	83
Distributions to holders of common shares	**(14)**	(16)	**(40)**	(40)
Special distribution to holders of common shares	**-**	(612)	**-**	(612)
Balance, end of period	**$ (222)**	$ (201)	**$ (222)**	$ (201)

See accompanying notes to the consolidated financial statements.

BRASCAN POWER INC.
CONSOLIDATED STATEMENT OF CASH FLOWS

(unaudited) *US$ millions*	Note	Three months ended September 30 **2005**	Three months ended September 30 2004	Nine months ended September 30 **2005**	Nine months ended September 30 2004
			(restated- note 2)		*(restated- note 2)*
Operating activities					
Net income (loss)		**$ (26)**	$ 23	**$ 40**	$ 83
Add non-cash items:					
Depreciation and amortization		**25**	14	**77**	46
Non-controlling interests		**-**	5	**15**	27
Tax and other		**6**	13	**(12)**	35
		5	55	**120**	191
Net change in non-cash working capital		**-**	19	**(23)**	49
		5	74	**97**	240
Financing activities and shareholder distributions					
Borrowings	9	**-**	576	**375**	687
Issuance of capital securities		**-**	842	**-**	842
Debt repayments	9	**(6)**	(198)	**(510)**	(313)
Distributions:					
- Non-controlling interest distributions		**(7)**	(6)	**(28)**	(25)
- Common shareholder distributions		**(14)**	(628)	**(40)**	(652)
Deferred credits		**-**	-	**2**	2
		(27)	586	**(201)**	541
Investing activities					
Sale of securities		**-**	97	**79**	112
Additions to long-term investments	6	**-**	5	**(75)**	(23)
Acquisition of TCG equity interest	4	**(75)**	-	**(75)**	-
Acquisitions of power generating assets	7	**-**	(880)	**(113)**	(880)
Additions to power generating assets		**(74)**	(30)	**(142)**	(55)
Proceeds on sale of power generating assets	8	**-**	-	**36**	-
Due from related party, net		**(17)**	-	**(17)**	-
Other assets		**(3)**	(11)	**18**	(14)
		(169)	(819)	**(289)**	(860)
Cash and cash equivalents					
Decrease in cash and cash equivalents		**(191)**	(159)	**(393)**	(79)
Balance, beginning of period		**315**	256	**517**	176
Balance, end of period		**$ 124**	$ 97	**$ 124**	$ 97
Supplementary information					
Interest paid		**$ 49**	$ 17	**$ 257**	$ 109
Taxes paid		**$ 1**	$ 2	**$ 11**	$ 6

See accompanying notes to the consolidated financial statements.

BRASCAN POWER INC.
NOTES TO INTERIM CONSOLIDATED FINANCIAL STATEMENTS
September 30, 2005
(all unaudited figures, in US$ millions, unless otherwise noted)

1. SUMMARY OF ACCOUNTING POLICIES

Brascan Power Inc.'s (the "Company") unaudited interim consolidated financial statements are presented in accordance with Canadian generally accepted accounting principles applicable to interim consolidated financial statements. These unaudited interim consolidated financial statements should be read in conjunction with the 2004 annual consolidated financial statements.

These unaudited interim consolidated financial statements have been prepared on a basis consistent with the disclosed audited financial statements for the fiscal year ended December 31, 2004 with the exception of the changes in accounting policies described in note 2.

The preparation of these unaudited interim consolidated financial statements requires management to make estimates and assumptions that affect the amounts reported in the interim consolidated financial statements and the accompanying notes. In the opinion of management, these unaudited interim consolidated financial statements reflect all adjustments (which include normal, recurring adjustments) that are necessary to state fairly the results for the periods presented. During the periods presented, management has made a number of estimates and valuation assumptions in the determination of accruals, useful lives, asset impairment, purchase price allocations and pension amounts. Actual results could differ from these estimates and the results reported for the interim periods presented are not necessarily indicative of results that may be expected for the full year.

2. CHANGES IN ACCOUNTING POLICIES

Translation of foreign currencies

Effective January 1, 2005, the Company's functional currency changed from the Canadian ("CDN") dollar to the United States ("US") dollar as a result of the increase in US dollar denominated activity in its operations as compared to prior years. The Company has adopted the US dollar as its reporting currency.

Since January 1, 2005, the assets and liabilities of the Company's self-sustaining operations having a functional currency other than the US dollar have been translated into US dollars using the exchange rate prevailing at the period end and revenues and expenses have been translated at the rate of exchange in effect on the dates on which such items are recognized in income during the period. Exchange gains and losses on translation of the Company's net equity investment in these operations have been deferred within the cumulative translation adjustment in shareholders' equity. Gains or losses on foreign currency liabilities and forward foreign exchange contracts that are designated as hedges of a net investment in self-sustaining foreign operations have been reported in shareholders' equity in the cumulative translation adjustment in the same manner as translation adjustments. Foreign-denominated monetary assets and liabilities of integrated operations have been translated at the exchange rates prevailing at the period end, and revenue and expenses at average rates of exchange during the period. Exchange gains and losses arising on the translation of these amounts have been included in investment and other income. Non-monetary assets and liabilities are translated at historical rates of exchange.

In accordance with Canadian generally accepted accounting principles, the Company translated all amounts presented for comparative purposes into US dollars using the current rate method whereby all revenues, expenses and cash flows are translated at the average rates that were in effect during the period and all assets and liabilities are translated at the prevailing rate in effect at the end of the period. Equity transactions have been translated at historic rates, with opening equity restated at the rate of exchange on December 31, 1999. The resulting net translation adjustment on the change in reporting currency has been credited to the cumulative translation adjustment.

Capital securities

On January 1, 2005, the Company adopted the revisions to CICA Handbook Section 3860, *Financial Instruments – Disclosure and Presentation* on the classification of financial instruments as debt or equity, with retroactive restatement of prior periods. The new rules require that capital securities that are convertible into a variable number of common shares at the Company's option and interest payments on the capital securities that can be paid by way of a variable number of common shares at the Company's option, be classified as liabilities. The Company reclassified the CDN $248 million capital securities to liabilities and included it in debt portion of capital securities due to the fact that the principal and interest were convertible into a variable number of common shares. These securities were repaid on June 30, 2005. The Company also reclassified CDN $1,096 million of the CDN $1,100 million capital securities maturing in June 2054 to debt portion of capital securities due to the fact that the interest may be paid in a variable number of common shares. These securities were converted to a US dollar equivalent on April 1, 2005. For the year ended December 31, 2004, a total of $43 million of the interest expense on the capital securities has been reclassified from shareholders' equity to interest expense on the Consolidated Statement of Operations (nine month and three month periods ended September 30, 2004 – $11 million and $5 million, respectively), with the remainder recognized through retained earnings. This change did not impact earnings per share or net income available to common shareholders since capital securities interest expense was deducted from net income in determining those measures in the prior year.

Variable interest entities

On January 1, 2005, the Company adopted Accounting Guideline 15, *Consolidation of Variable Interest Entities* ("AcG 15"), issued by the Canadian Institute of Chartered Accountants ("CICA"). A Variable Interest Entity ("VIE") is any type of legal structure not controlled by voting equity, but rather by contractual or other financial arrangements. A VIE is consolidated by its primary beneficiary, which is the party involved with the VIE that absorbs the majority of the expected losses, receives the majority of the expected residual returns, or both. As a result of the adoption of this new standard, Great Lakes Hydro Income Fund, of which the Company owns a 50.1% interest, is now fully consolidating its joint venture interests in Powell River Energy Inc. ("PREI") and Powell River Energy Partnership ("PREP"), versus the proportionate consolidation method previously used. The Company is also fully consolidating its 75% residual interest in Louisiana Hydroelectric Power ("LAH"), versus the equity accounting method previously used. The consolidation of these entities did not have an impact on the Company's net income. All 2004 financial comparatives included within these consolidated financial statements have been restated to reflect the full consolidation of PREI, PREP and LAH.

The financial impact on the restatement of the comparative period for the adoption of AcG 15 is summarized as follows:

Balance Sheet *US$ millions*	**December 31, 2004** *(restated)*	**December 31, 2004** *(previously reported)*[1]	**Net Financial Impact**
Current assets	$ 1,198	$ 1,110	$ 88
Long-term assets	3,885	2,965	920
Current liabilities	466	410	56
Long-term liabilities	4,312	3,360	952

[1]Adjusted to reflect adoption of revisions to CICA Handbook Section 3860 and the change in reporting currency to the US dollar.

Statement of Operations *US$ millions*	**Nine months ended September 30, 2004** *(restated)*	**Nine months ended September 30, 2004** *(previously reported)*[1]	**Net Financial Impact**
Revenues	$ 487	$ 379	$ 108
Net operating income	278	190	88
Investment income	49	47	2
Interest and financing fees	129	60	69
Interest on capital securities	11	11	-
Depreciation and amortization	46	34	12
Provision for income taxes	31	31	-
Non-controlling interests	27	18	9
Net income	$ 83	$ 83	$ -

[1]Adjusted to reflect adoption of revisions to CICA Handbook Section 3860 and the change in reporting currency to the US dollar.

Statement of Operations *US$ millions*	**Three months ended September 30, 2004** *(restated)*	**Three months ended September 30, 2004** *(previously reported)*[1]	**Net Financial Impact**
Revenues	$ 149	$ 118	$ 31
Net operating income	79	54	25
Investment income	19	18	1
Interest and financing fees	43	20	23
Interest on capital securities	5	5	-
Depreciation and amortization	14	12	2
Provision for income taxes	8	8	-
Non-controlling interests	5	4	1
Net income	$ 23	$ 23	$ -

[1]Adjusted to reflect adoption of revisions to CICA Handbook Section 3860 and the change in reporting currency to the US dollar.

3. CASH AND CASH EQUIVALENTS

The components of cash and cash equivalents are as follows:

US$ millions	**September 30 2005**	December 31 2004
Cash	**$ 104**	$ 145
Demand deposits with affiliates	**20**	372
	$ 124	$ 517

4. RELATED PARTY TRANSACTIONS

On July 1, 2005, the Company exchanged all of its common and preferred shares in wholly-owned First Toronto Equities Inc. ("FTEI"), at carried value, for preferred shares in a new amalgamated company, Trilon Bancorp Inc. ("TBI"). TBI is wholly-owned by Brookfield Asset Management ("Brookfield"), formerly known as Brascan Corporation, Brascan Power's parent company. Subsequently on July 1, 2005, the Company purchased, through a subsidiary, all of the preferred shares of The Catalyst Group ("TCG") from TBI, at carried value, for $75 million. The TCG preferred shares were owned by the Company through FTEI, prior to the exchange of shares described above. As a result of these transactions, the Company recorded an increase in its contributed surplus by $196 million, representing the excess of consideration received over that given up.

On August 1, 2005, the Company redeemed all of its preferred shares in TBI for $681 million. As at September 30, 2005, Brascan Power has a net receivable of $514 million due from TBI (December 31, 2004 - $nil). No terms and conditions of repayment have been established between the two related parties.

All other related party transactions in the current period entered into in the normal course of operations were recorded at the exchange amount, which is the amount agreed upon by the parties.

5. OTHER ASSETS

US$ millions	**September 30 2005**	December 31 2004
Deferred financing fees	**$ 40**	$ 41
Power purchase agreements	**164**	155
FERC licences	**38**	40
Accrued levelized revenues	**538**	535
Cash held in escrow	**21**	49
Other	**14**	-
	$ 815	$ 820

As at September 30, 2005, an amount of $538 million (December 31, 2004 - $535 million) pertaining to accrued levelized revenues is classified under other assets. LAH sells power at predetermined fixed rates. These rates increase and decrease over the term of the power sales contract. Power sales are recognized on a levelized basis over the term of the contract. The difference between levelized power sales and cash received is recorded as accrued levelized revenue on the balance sheet. Royalty payments are made based on LAH power sales. Royalty rates increase over the term of the power sales contract. Royalty expense is also recognized on a levelized basis over the term of the contract. The difference between levelized royalty expense and cash paid is recorded as accrued levelized royalty expense on the balance sheet (note 10).

6. LONG-TERM INVESTMENTS

During the second quarter of 2005, the Company invested an additional $75 million in preferred shares of Brascan Energetica, a wholly-owned subsidiary of Brookfield that owns, develops and operates hydroelectric generation plants in Brazil.

7. ACQUISITIONS

a) **Hydro Kennebec and West Delaware**

On January 20, 2005, the Company acquired the leasehold interests in two hydroelectric generating facilities in Maine and New York for $33 million, including $12 million of assumed debt. The acquisition has been accounted for using the purchase method and results of operations have been included in these consolidated financial statements from the date of acquisition.

The fair values assigned to the assets acquired were as follows:

US$ millions		
Power generating assets	$	**12**
Power purchase agreement		**15**
Other intangible assets		**3**
Working capital		**3**
Total assets acquired	$	**33**

The acquisition was funded through:

US$ millions		
Cash	$	**21**
Senior secured term notes		**12**
Consideration paid	$	**33**

The $12 million senior secured term notes bear interest at 5.98% and are repayable in quarterly blended principal and interest payments, maturing on September 30, 2008.

b) **Harmony Wind**

On March 31, 2005, the Company purchased all of the outstanding common shares of Harmony Wind. The acquisition has been accounted for at carrying value and results of operations have been included in these consolidated financial statements from the date of acquisition of Harmony Wind on February 16, 2005.

The acquisition was funded through the following non-cash consideration:

CDN$ millions		
Common shares	$	**3**
Promissory notes		**2**
Consideration - $ CDN	$	**5**
Consideration - $ US	$	**4**

The Company issued 129,024 of its common shares to Brookfield, valued at CDN $30.87 per common share.

c) **Piney and Deep Creek**

On April 27, 2005, the Company acquired two hydroelectric generating facilities in Pennsylvania and Maryland for cash consideration of $43 million. The acquisition of the assets and results of operations have been included in these consolidated financial statements from the date of acquisition.

The fair values assigned to the assets acquired were as follows:

US$ millions		
Intangible assets	$	**1**
Power generating assets		**42**
Total assets acquired	$	**43**

d) **Bear Swamp**

On May 24, 2005, the Company completed the acquisition of two hydroelectric generating facilities in northern Massachusetts for cash consideration of $49 million, through a 50/50 joint venture. The acquisition of the assets and results of operations have been included in these consolidated financial statements from the date of acquisition using the proportionate consolidation method of accounting.

The fair values assigned to the assets acquired were as follows:

US$ millions	Joint venture	**Company's share**
Power generating assets	$ 98	**$ 49**
Total assets acquired	$ 98	**$ 49**

8. SALE OF POWER GENERATING ASSETS

On April 22, 2005, the Company sold its membership interests in White Mountain Energy LLC, its 25 megawatt cogeneration power plant located in Berlin, New Hampshire, to Fraser Papers Inc., a related party through common ownership, for total consideration of $34 million. The gain on the sale of $1 milllion was recorded in "Investment income and other".

9. FINANCING ACTIVITIES

The Company issued an additional CDN $50 million in Series 1 Canadian unsecured term debentures on January 26, 2005. These debentures bear interest at 4.65% and mature on December 16, 2009. The US $200 million Series 3 corporate debentures were repaid upon maturity in March 2005.

On February 11, 2005, the Company issued CDN $35 million of 10 year First Mortgage bonds secured by a first ranking lien on the Pingston Power Joint Venture assets. The bonds bear interest at a rate of 5.28%.

In April 2005, the Company obtained a $200 million floating rate revolving unsecured credit facility for general corporate purposes, which can be drawn upon in Canadian or US. The 3 year facility ranks pari passu with all senior unsecured indebtedness of the Company. At September 30, 2005, the Company had drawn $nil on the credit facility.

Great Lakes Power Trust ("GLPT") has available a credit facility comprised of a CDN $25 million line of credit and a CDN $25 million term loan for general corporate purposes, which can be drawn upon in Canadian or US dollars and which bears interest based on Canadian prime rate, US base rate, or LIBOR plus a margin. Standby fees of 20 basis points are charged on the undrawn GLPT credit facility. On April 12, 2005, Great Lakes Hydro Income Fund extended the termination date of the GLPT credit facility from April 15, 2005 to October 15, 2005. On October 6, 2005 the GLPT credit facility was cancelled (refer to Note 16).

On April 27, 2005, GLPT redeemed the CDN $100 million of First Mortgage Bonds using a CDN $125 million bridge facility, at a floating rate of bankers' acceptance plus 60 basis points. In addition to the repayment of the GLPT First Mortgage Bonds, the proceeds of the bridge facility were used to pay the bond premium due to the early redemption and to repay the $11 million Great Lakes Hydro America bridge loan facility. On October 6, 2005 the GLPT bridge facility was fully repaid (refer to Note 16).

10. OTHER LONG-TERM LIABILITIES

Other long-term liabilities are comprised of:

US$ millions	**September 30 2005**	December 31 2004
Pension and employee future benefits	**$ 18**	$ 19
Future income tax liability	**125**	156
Accrued levelized royalty expense (note 5)	**73**	70
	$ 216	$ 245

The Company offers a number of pension plans to its employees, as well as certain health care, dental care, life insurance and other benefits to certain retired employees pursuant to Company policy. The total benefit cost for these plans for the three months and nine months ended September 30, 2005 totaled $1.0 million and $3.0 million, respectively (2004 - $0.7 million and $2.0 million, respectively).

The decrease in the future income tax liability is primarily due to the FTEI transaction described in note 4.

11. CAPITAL SECURITIES

Capital securities are comprised of the following:

US$ millions			**September 30 2005**			December 31 2004
	Debt portion of capital securities	**Equity portion of capital securities**	**Total**	Debt portion of capital securities	Equity portion of capital securities	Total
CDN $248 million	**$ -**	**$ -**	**$ -**	$ 206	$ -	$ 206
Capital securities, June 2054	**905**	**4**	**909**	913	3	916
Capital securities, June 2054	**199**	**1**	**200**	-	-	-
Total	**$ 1,104**	**$ 5**	**$ 1,109**	$ 1,119	$ 3	$1,122

On April 1, 2005, the CDN $1,100 million capital securities owned by Brookfield were converted into an equivalent of US $909 million. All other terms of the capital securities remain unchanged. On June 30, 2005, the CDN $248 million capital securities were repaid and capital securities totaling $200 million were issued to Brookfield. These securities bear an annual interest rate of 11.3%, payable quarterly, and mature on June 30, 2054. These capital securities are convertible in full, at the option of Brookfield, any time prior to the maturity date at $23.98 per common share into 8.3 million common shares. Principal and interest are payable at the Company's option in common shares.

For the three and nine month periods ended September 30, 2005, a total of $31 and $88 million was recorded respectively as interest on capital securities on the consolidated statement of operations (2004 – $5 and $11 million respectively), with the remainder recorded through retained earnings.

12. SHAREHOLDERS' EQUITY

The Company is authorized to issue an unlimited number of common shares, of which the following were issued and outstanding:

US$ millions	**September 30 2005**	December 31 2004
101,512,218 (2004 - 101,383,135) Common shares	**$ 422**	$ 419
Deficit	**(222)**	(222)
Contributed surplus (note 4)	**196**	-
Cumulative translation adjustment	**(51)**	105
	345	302
Equity portion of capital securities (note 11)	**5**	3
	$ 350	$ 305

On March 31, 2005, the Company issued 129,024 common shares to Brookfield, valued at $3 million, as non-cash consideration for the acquisition of Harmony Wind. Refer to note 7 for further detail. On July 1, 2005, the Company issued an additional 59 common shares to Brookfield as non-cash consideration for the acquisition of its common shares in FTEI.

The significant elements that gave rise to the change in the cumulative translation adjustment account during the nine month period are as follows:

US$ millions	**Nine months ended September 30, 2005**
Balance, beginning of period	**$ 105**
Foreign exchange effect on net investment in self-sustaining operations	**(23)**
Impact of FTEI transaction (note 4)	**(156)**
Impact of hedging activities	**23**
Balance, end of period	**$ (51)**

The components of basic and diluted earnings per share are summarized below:

US$ millions	Three months ended September 30		Nine months ended September 30	
	2005	2004	**2005**	2004
Net (loss) income available to common shareholders - basic	**$ (26)**	$ 23	**$ 39**	$ 83
Dilutive effect of capital securities	**-**	-	**4**	5
Net (loss) income available to common shareholders - diluted	**$ (26)**	$ 23	**$ 43**	$ 88
Weighted average outstanding common shares - basic	**102**	101	**102**	101
Dilutive effect of the conversion of capital securities	**-**	25	**16**	25
Common shares and common share equivalents - diluted	**102**	126	**118**	126

During the three and nine month periods ended September 30, 2005, capital securities convertible into 44.0 million and 38.5 million common shares respectively (September 30, 2004 – 11.7 million and 3.9 million respectively) were excluded from the computation of diluted earnings per share because their effects were not dilutive.

13. GEOGRAPHIC SEGMENTED INFORMATION

The Company owns and operates hydroelectric assets in both Canada and the United States with operations in seven distinct geographic regions across North America: Ontario, Québec, British Columbia, New England, New York, Louisiana and Other. The "Other" reporting segment consists of the activities of the Company's transmission and distribution business and the Company's wholly-owned holding companies. These seven regions represent the Company's reportable segments, which are used to manage the business, and are based on the location of the underlying generating facilities. The accounting policies of these reportable segments are the same as those described in Note 1 to the 2004 annual financial statements.

Nine months ended September 30, 2005

US$ millions	**Ontario**	**Québec**	**British Columbia**	**New England**	**New York**	**Louisiana**	**Other**	**Total**
Revenue	**$ 127**	**$ 58**	**$ 16**	**$ 50**	**$ 131**	**$ 113**	**$ 73**	**$ 568**
Net operating income	**83**	**49**	**12**	**35**	**86**	**96**	**(25)**	**336**
Depreciation and amortization	**17**	**6**	**2**	**9**	**20**	**16**	**7**	**77**
Interest and financing fees	**28**	**17**	**6**	**6**	**21**	**69**	**19**	**166**

Three months ended September 30, 2005

US$ millions	**Ontario**	**Québec**	**British Columbia**	**New England**	**New York**	**Louisiana**	**Other**	**Total**
Revenue	**$ 40**	**$ 13**	**$ 5**	**$ 16**	**$ 36**	**$ 18**	**$ 11**	**$ 139**
Net operating income	**26**	**10**	**4**	**11**	**20**	**14**	**(2)**	**83**
Depreciation and amortization	**6**	**2**	**1**	**3**	**7**	**4**	**2**	**25**
Interest and financing fees	**9**	**3**	**2**	**2**	**8**	**26**	**6**	**56**

Nine months ended September 30, 2004

US$ millions	**Ontario**	**Québec**	**British Columbia**	**New England**	**New York**	**Louisiana**	**Other**	**Total**
Revenue	$ 137	$ 58	$ 15	$ 38	$ 1	$ 127	$ 111	$ 487
Net operating income	99	49	12	27	-	108	(17)	278
Depreciation and amortization	17	6	2	6	-	11	4	46
Interest and financing fees	24	8	5	6	-	65	21	129

Three months ended September 30, 2004

US$ millions	**Ontario**	**Québec**	**British Columbia**	**New England**	**New York**	**Louisiana**	**Other**	**Total**
Revenue	$ 40	$ 14	$ 5	$ 11	$ 1	$ 33	$ 45	$ 149
Net operating income	28	11	4	8	-	28	-	79
Depreciation and amortization	6	2	1	2	-	2	1	14
Interest and financing fees	9	2	2	2	-	22	6	43

14. COMMODITY DERIVATIVE INSTRUMENTS

As at September 30, 2005, the energy and gas derivative contracts were comprised of contracts with deferred unrealized losses in excess of that recorded in our accounts of $294 million (2004 - $36 million) as well as contracts with deferred unrealized gains in excess of that recorded in the our accounts of $31 million (2004 - $22 million). These derivative contracts have been designated as cash flow hedges and qualify for hedge accounting under the hedge accounting rules. Gains or losses on these contracts will be recorded in earnings in the same period as the revenues from delivery of power and sale of gas.

15. COMMITMENTS, CONTINGENCIES AND GUARANTEES

The Prince Wind Farm project is expected to enter commercial operation in the second quarter of 2006. In late October 2005, the Company entered into a five year agreement with a turbine supplier, GE Energy, who will be responsible for the operation and maintenance of the turbines. The energy generated by the wind facility will be sold to the government of Ontario under a power purchase agreement.

The Company has commitments and provides guarantees as described in Note 23 of the 2004 annual consolidated financial statements. There have been no further material changes for the period ended September 30, 2005 necessitating changes to the disclosures related to the commitments and guarantees.

16. SUBSEQUENT EVENTS

On October 6, 2005, Great Lakes Hydro Income Fund ("the Fund") issued CDN $225 million of senior secured bonds from institutional investors, bearing an annual interest rate of 5.6% and maturing on October 6, 2025. The senior bonds are secured by the Lièvre Power System. Proceeds have been used to repay the CDN $125 million bridge facility and the CDN $40 million outstanding on the current GLPT credit facility. As at September 30, 2005, the CDN $125 million bridge facility was classified as long-term debt.

Also on October 6, 2005, the current GLPT credit facility was cancelled and replaced by a CDN $25 million senior secured credit facility. The credit facility is secured by the Lièvre Power System and has a one year term. The credit facility bears interest based on prime plus applicable margin, and standby fees are charged on any undrawn balance.

17. COMPARATIVE FIGURES

Certain of the prior period's figures have been reclassified to conform with the 2005 presentation.