Condensed Consolidated Interim Financial Statements of

EPCOR UTILITIES INC.

Nine months ended September 30, 2013 and 2012

EPCOR UTILITIES INC.

Condensed Consolidated Interim Statements of Comprehensive Income
(Unaudited, in millions of Canadian dollars)

Three and nine months ended September 30, 2013 and 2012

	Three months ended September 30,		Nine months ended September 30,	
	2013	2012	2013	2012
Revenues and other income:				
Revenues	$ 515	$ 512	$ 1,437	$ 1,436
Other income	7	5	21	20
	522	517	1,458	1,456
Expenses:				
Electricity purchases and system access fees	282	280	728	766
Other raw materials and operating charges	39	38	108	102
Staff costs and employee benefits expenses	69	68	211	207
Depreciation and amortization	37	35	105	101
Franchise fees and property taxes	23	23	66	62
Other administrative expenses	14	11	42	40
Foreign exchange loss	-	-	-	3
	464	455	1,260	1,281
Operating income	58	62	198	175
Finance expenses	(26)	(29)	(80)	(87)
Equity share of income of Capital Power (note 4)	17	26	41	33
Loss on sale of a portion of investment in Capital Power	-	-	-	(36)
Income before income taxes	49	59	159	85
Income tax recovery (expense)	1	4	(7)	2
Net income for the periods – all attributable to the Owner of the Company	50	63	152	87
Other comprehensive income:				
Equity share of other comprehensive income (loss) of Capital Power[1] (note 4)	(1)	6	(3)	10
Amounts realized in net income on sale of a portion of investment in Capital Power [2] (note 4)	-	-	-	(2)
Unrealized loss on available-for-sale financial assets[2]	(1)	-	(1)	(2)
Unrealized gain (loss) on foreign currency translation[2]	(6)	(8)	7	(4)
	(8)	(2)	3	2
Comprehensive income for the periods – all attributable to the Owner of the Company	$ 42	$ 61	$ 155	$ 89

[1] For the three and nine months ended September 30, 2013, net of income tax recovery of nil and $1 million, respectively. For the three and nine months ended September 30, 2012, net of income tax expense of $2 million and $3 million, respectively.
[2] For the three and nine months ended September 30, 2013 and 2012, net of income tax of nil.

EPCOR UTILITIES INC.

Condensed Consolidated Interim Statements of Financial Position
(Unaudited, in millions of Canadian dollars)

September 30, 2013 and December 31, 2012

	2013	2012
ASSETS		
Current assets:		
Cash and cash equivalents	$ 74	$ 232
Trade and other receivables	368	359
Inventories	15	13
	457	604
Non-current assets:		
Finance lease receivables	122	125
Other financial assets	373	383
Deferred tax assets	52	52
Investment in Capital Power (note 4)	631	621
Property, plant and equipment	3,645	3,417
Intangible assets	223	222
	5,046	4,820
TOTAL ASSETS	$ 5,503	$ 5,424
LIABILITIES AND EQUITY		
Current liabilities:		
Trade and other payables	$ 267	$ 303
Loans and borrowings (note 5)	86	14
Deferred revenue	23	21
Provisions	24	29
Derivatives	-	2
Other liabilities	28	31
	428	400
Non-current liabilities:		
Loans and borrowings (note 5)	1,957	1,956
Deferred revenue	751	741
Deferred tax liabilities	7	5
Provisions (note 3)	78	83
Other liabilities	12	18
	2,805	2,803
Total liabilities	3,233	3,203
Equity attributable to the Owner of the Company:		
Share capital	24	24
Accumulated other comprehensive income (note 3)	9	6
Retained earnings (note 3)	2,237	2,191
Total equity	2,270	2,221
TOTAL LIABILITIES AND EQUITY	$ 5,503	$ 5,424

The accompanying notes are an integral part of these condensed consolidated interim financial statements

EPCOR UTILITIES INC.

Condensed Consolidated Interim Statements of Changes in Equity
(Unaudited, in millions of Canadian dollars)

Nine months ended September 30, 2013 and 2012

	Share capital	Cash flow hedges	Available-for-sale financial assets	Cumulative translation account	Employee benefits account (note 3)	Investment in Capital Power	Retained earnings (note 3)	Equity attributable to the Owner of the Company
		Accumulated other comprehensive income (loss)						
Equity at December 31, 2012	$ 24	$ (7)	$ 2	$ -	$ (8)	$ 19	$ 2,191	$ 2,221
Net income for the period	-	-	-	-	-	-	152	152
Other comprehensive income (loss):								
Equity share of other comprehensive loss of Capital Power	-	-	-	-	-	(3)	-	(3)
Unrealized loss on available-for-sale financial assets	-	-	(1)	-	-	-	-	(1)
Unrealized gain on foreign subsidiary	-	-	-	7	-	-	-	7
Total comprehensive income (loss)	-	-	(1)	7	-	(3)	152	155
Dividends	-	-	-	-	-	-	(106)	(106)
Equity at September 30, 2013	$ 24	$ (7)	$ 1	$ 7	$ (8)	$ 16	$ 2,237	$ 2,270

	Share capital	Cash flow hedges	Available-for-sale financial assets	Cumulative translation account	Investment in Capital Power	Retained earnings (note 3)	Equity attributable to the Owner of the Company
		Accumulated other comprehensive income (loss)					
Equity at December 31, 2011	$ 24	$ (9)	$ 4	$ 1	$ 12	$ 2,313	$ 2,345
Net income for the period	-	-	-	-	-	87	87
Other comprehensive income (loss):							
Equity share of other comprehensive income of Capital Power	-	-	-	-	10	-	10
Amounts realized in net income on sale of a portion of investment in Capital Power	-	2	-	-	(4)	-	(2)
Unrealized loss on available-for-sale financial assets	-	-	(2)	-	-	-	(2)
Unrealized loss on foreign subsidiary	-	-	-	(4)	-	-	(4)
Total comprehensive income (loss)	-	2	(2)	(4)	6	87	89
Dividends	-	-	-	-	-	(106)	(106)
Equity at September 30, 2012	$ 24	$ (7)	$ 2	$ (3)	$ 18	$ 2,294	$ 2,328

The accompanying notes are an integral part of these condensed consolidated interim financial statements

EPCOR UTILITIES INC.

Condensed Consolidated Interim Statements of Cash Flows
(Unaudited, in millions of Canadian dollars)

Nine months ended September 30, 2013 and 2012

	2013	2012
Cash flows from (used in) operating activities:		
Net income for the period	$ 152	$ 87
Reconciliation of net income for the periods to cash flows from (used in) operating activities:		
Interest paid	(80)	(87)
Finance expenses	80	87
Income taxes paid	(6)	(3)
Income tax expense (recovery)	7	(2)
Depreciation and amortization	105	101
Contributions received	22	15
Deferred revenue recognized	(15)	(13)
Fair value change on derivative instruments	(2)	12
Loss on sale of a portion of investment in Capital Power	-	36
Equity share of income from Capital Power	(41)	(33)
Foreign exchange gain	-	(3)
Other	(2)	-
Funds from operations	220	197
Change in non-cash operating working capital	(70)	44
Net cash flows from operating activities	150	241
Cash flows from (used in) investing activities:		
Acquisition or construction of property, plant and equipment and other assets	(309)	(220)
Business acquisition, net of acquired cash	-	(460)
Proceeds on disposal of property, plant and equipment	1	6
Change in non-cash investing working capital	14	(23)
Payment of Gold Bar transfer fees	(10)	(12)
Payments received on long-term receivables	14	25
Proceeds on sale of a portion of investment in Capital Power	-	221
Distributions received from Capital Power	27	33
Net cash flows used in investing activities	(263)	(430)
Cash flows from (used in) financing activities:		
Proceeds from issuance of loans and borrowings	75	300
Repayment of loans and borrowings	(11)	(28)
Provisions	(3)	(1)
Common share dividends paid	(106)	(106)
Net cash flows from (used in) financing activities	(45)	165
Decrease in cash and cash equivalents	(158)	(24)
Cash and cash equivalents, beginning of period	232	316
Cash and cash equivalents, end of period	$ 74	$ 292

The accompanying notes are an integral part of these condensed consolidated interim financial statements

1. Nature of operations

EPCOR Utilities Inc. (the Company or EPCOR) builds, owns and operates electrical transmission and distribution networks, water and wastewater treatment facilities and infrastructure, and provides electricity and water services and products to residential and commercial customers.

The Company operates in Canada and the United States (U.S.) with its registered head office located at 2000, 10423 - 101 Street NW, Edmonton, Alberta, Canada, T5H 0E8.

The common shares of EPCOR are owned by The City of Edmonton (the City). The Company was established by Edmonton City Council under City Bylaw 11071.

Interim results will fluctuate due to the seasonal demands for electricity and water, changes in electricity prices, and the timing and recognition of regulatory decisions. Consequently, interim results are not necessarily indicative of annual results.

2. Basis of presentation

(a) Statement of compliance

These condensed consolidated interim financial statements have been prepared by management in accordance with International Accounting Standard 34 – Interim Financial Reporting (IAS 34), as issued by the International Accounting Standards Board and adopted by the Canadian Institute of Chartered Accountants. These condensed consolidated interim financial statements do not include all of the disclosure normally provided in the annual consolidated financial statements and should be read in conjunction with the annual consolidated financial statements for the year ended December 31, 2012 which have been prepared in accordance with International Financial Reporting Standards (IFRS).

These condensed consolidated interim financial statements were approved and authorized for issue by the Board of Directors on November 7, 2013.

(b) Basis of measurement

The Company's condensed consolidated interim financial statements are prepared on the historical cost basis, except for its beneficial interest in the sinking fund held with the City, and its derivative financial instruments, which are measured at fair value. In addition, the Company’s defined benefit pension assets are recognized as the net total of the plan assets, plus unrecognized past service cost, less the present value of the defined benefit obligation.

(c) Additional IFRS financial measure

The Company uses “operating income” as an additional IFRS financial measure. In management’s opinion, the measure is a more effective indicator of the Company’s and reportable business segments’ operating performance than net income because it only includes items directly related to or resulting from management’s operating decisions and actions.

3. Significant accounting policies

These condensed consolidated interim financial statements have been prepared following the same accounting policies and methods as those used in preparing the Company’s most recent annual consolidated financial statements, with the exception of accounting policies adopted as a result of the following new and amended accounting standards relevant to EPCOR effective January 1, 2013.

IFRS 7 – Financial Instruments – Disclosures – Offsetting Financial Assets and Liabilities (Amendment)

IFRS 10 – Consolidated Financial Statements

IFRS 11 – Joint Arrangements (IFRS 11)

IFRS 12 – Disclosure of Interests in Other Entities

IFRS 13 – Fair Value Measurement (IFRS 13)
IAS 1 – Presentation of Items of Other Comprehensive Income
IAS 19 – Employee Benefits (Amendment) (IAS 19)
IAS 28 – Investments in Associates and Joint Ventures (Amendment)
IAS 34 – Interim Financial Reporting (Amendment)

Of the new and amended accounting standards which became effective January 1, 2013, the following had an impact on these condensed consolidated interim financial statements as a result of the accounting policies adopted effective January 1, 2013:

IFRS 11 was issued to replace IAS 31 – Interest in Joint Ventures. The new standard classifies joint arrangements into two types – joint operations and joint ventures. The standard defines a joint operation as a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement and are required to recognize assets, liabilities, revenues and expenses in proportion to its interest in the joint arrangement. The standard defines a joint venture as a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the arrangement and are required to recognize and account for the investment in the joint arrangement using the equity method. The Company applied the new standard effective January 1, 2013 and classified its interest in the Heartland Transmission project as a joint operation. As a result, the condensed consolidated interim financial statements include EPCOR's relative share of the joint operation's assets, liabilities, revenue and expenses with items of a similar nature on a line-by-line basis. Unrealized gains and losses on transactions between EPCOR and the joint operation are eliminated to the extent of EPCOR's interest in the joint operation and unrealized losses are eliminated only to the extent there is no evidence of impairment.

IFRS 13 replaced the fair value measurement guidance contained in individual IFRS with a single source of fair value measurement guidance. It defines fair value, establishes a framework for measuring fair value and sets out disclosure requirements. The Company does not expect the standard to have a material impact on the annual financial statements. However, IAS 34 was amended as a result of IFRS 13, to require financial instrument fair value disclosure in an entity's interim financial statements. The disclosures have been included in note 6.

IAS 19 was amended to: (a) eliminate the option to defer the recognition of actuarial gains and losses associated with net defined benefit liabilities (assets); (b) require a new method of calculating finance costs on defined benefit plans whereby a single discount rate is applied to the net pension assets or obligations; and (c) enhance the disclosure requirements to provide better information about the characteristics of defined benefit plans and the risks that entities are exposed to through participation in these plans. In accordance with the transitional provisions of revised IAS 19, the Company applied the revised standard retrospectively commencing January 1, 2013 and recognized in retained earnings, $1 million of unrecognized actuarial gains related to 2012 and $6 million of unrecognized actuarial losses related to years prior to 2012, and in accumulated other comprehensive income, $8 million of re-measurement effects related to years prior to 2013. In addition, the Company increased non-current provisions by $13 million.

4. Investment in Capital Power

In these condensed consolidated interim financial statements, Capital Power refers to Capital Power Corporation and its subsidiaries, including Capital Power L.P., except where otherwise noted or the context indicates otherwise.

At September 30, 2013, the Company owned 28.4 million (December 31, 2012 – 28.4 million) exchangeable limited partnership units of Capital Power L.P. (exchangeable for common shares of Capital Power Corporation on a one-for-one basis), representing a 29% (December 31, 2012 – 29%) economic interest in Capital Power. In October 2013, EPCOR sold 9.6 million common shares of Capital Power at an offering price of $21.00 per share for aggregate gross proceeds of $202 million. Following the completion of the offering, EPCOR indirectly owns approximately 19% of Capital Power. The proceeds from the October sale will be used to repay commercial paper indebtedness and for general corporate purposes. The Company will incur a net loss of $16 million after tax as a result of this transaction.

EPCOR does not control Capital Power. The investment in Capital Power represents an investment subject to significant influence and is accounted for using the equity method.

(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

Capital Power is listed on the Toronto Stock Exchange under the symbol CPX. The quoted market price of the common shares of Capital Power at September 30, 2013 was $21.26 per common share (December 31, 2012 – $22.73 per common share).

The investment in Capital Power L.P. is detailed as follows:

	At and for the nine months ended September 30, 2013	At and for the year ended December 31, 2012
Balance, beginning of period	$ 621	$ 987
Equity share of net income	41	41
Equity share of other comprehensive income (loss)	(4)	14
Distributions declared	(27)	(39)
Sale of a portion of the investment	-	(258)
Impairment	-	(124)
Balance, end of period	$ 631	$ 621

5. Loans and borrowings

The Company had $75 million of commercial paper issued and outstanding at September 30, 2013 (December 31, 2012 – nil).

6. Fair values of financial instruments

The classification, carrying amounts and fair values of the Company's other financial instruments at September 30, 2013 and December 31, 2012 is summarized as follows:

		September 30, 2013		December 31, 2012	
	Classification	Carrying amount	Fair value	Carrying amount	Fair value
Cash and cash equivalents	Fair value through profit or loss	$ 74	$ 74	$ 232	$ 232
Trade and other receivables	Loans and receivables	338	338	335	335
Derivatives	Fair value through profit or loss	-	-	(2)	(2)
Finance lease receivables	Loans and receivables	126	143	128	146
Other financial assets	Loans and receivables	400	439	404	447
Trade and other payables	Other liabilities	267	267	303	303
Loans and borrowings					
Debentures and borrowings	Other liabilities	2,109	2,368	2,128	2,561
Beneficial interest in sinking fund	Available for sale	(66)	(66)	(158)	(158)
Other liabilities					
Customer deposits	Other liabilities	21	21	20	20
Gold Bar transfer fee payable	Other liabilities	7	7	17	17

Fair value hierarchy

The financial instruments of the Company that are recorded at fair value have been classified into levels using a fair value hierarchy. A Level 1 valuation is determined by unadjusted quoted prices in active markets for identical assets or liabilities. A Level 2 valuation is based upon inputs other than quoted prices included in Level 1 that are observable for the instruments either directly or indirectly. A Level 3 valuation for the assets and liabilities are not based on observable market data.

Cash and cash equivalents

The fair value of cash and cash equivalents is determined by unadjusted quoted prices from active markets. Cash and cash equivalents are classified in Level 1.

Trade and other receivables

Trade and other receivables are initially measured at cost and after initial recognition, are measured at amortized cost. Due to the short-term nature of these assets, fair value is not materially different from carrying amount. Trade and other receivables are classified in Level 3.

Derivatives

Fair value is determined based on exchange index prices in active markets. Fair value amounts reflect management's best estimates using external readily observable market data such as future prices. It is possible that the assumptions used in establishing fair value amounts will differ from future outcomes and the impact of such variations could be material. Derivative financial instruments are classified in Level 1.

The fair value of electricity derivative financial instruments reflects changes in the electricity prices, net of cash payments to or from the counterparty. During the course of the contract, regular payments are made to or received from the counterparty to settle the fair value of the contracts.

Finance lease receivables

The fair values of the Company's finance lease receivables are based on the estimated interest rates implicit in comparable lease arrangements or loans plus an estimated credit spread based on the counterparty risk at September 30, 2013 and December 31, 2012. Finance lease receivables are classified in Level 2.

Loans and other long-term receivables

The fair value of the Company's unsecured long-term receivable from Capital Power is based on a current yield for the Company's receivable at September 30, 2013 and December 31, 2012. This yield is based on an estimated credit spread for Capital Power over the yields of long-term Government of Canada bonds that have similar maturities to the Company's receivable. The estimated credit spread is based on Capital Power's indicative spread as published by independent financial institutions. The long-term receivable from Capital Power is classified in Level 2.

The fair values of the Company's other long-term loans and receivables are based on the estimated interest rates implicit in comparable loan arrangements plus an estimated credit spread based on the counterparty risks at September 30, 2013 and December 31, 2012. Other long-term loans and receivables are classified in Level 2.

Trade and other payables

Trade and other payables are initially measured at cost and after initial recognition, are measured at amortized cost. Due to the short-term nature of these liabilities, fair value is not materially different from carrying amount. Trade and other payables are classified in Level 3.

Loans and borrowings

The fair value of the Company's loans and borrowings is based on determining a current yield for the Company's debt at September 30, 2013 and December 31, 2012. This yield is based on an estimated credit spread for the Company over the yields of long-term Government of Canada bonds for Canadian dollar loans and U.S. Treasury bonds for U.S. dollar loans that have similar maturities to the Company's debt. The estimated credit spread is based on the Company's indicative spread as published by independent financial institutions. The Company's loans and borrowings (including the current portion) include City debentures which are offset by payments made by the Company into the sinking fund. The Company's beneficial interest in the sinking fund is a related party balance and has been recorded at fair value as it has been classified as an available-for-sale financial asset. The fair value of the beneficial interest in the sinking fund is based on quoted market values as determined by the City at or near the reporting date and is classified in Level 1. Loans and borrowings are classified in Level 2.

Other liabilities

Customer deposits and Gold Bar transfer fee payable are initially measured at cost and after initial recognition, are measured at amortized cost. Due to the short-term nature of customer deposits and Gold Bar transfer fee payable, fair values are not materially different from carrying amount. Customer deposits and Gold Bar transfer fee payable are classified in Level 3.

7. Segment disclosures

The Company operates in the following reportable business segments, which follow the organization, management and reporting structure within the Company.

Water Services

Water Services is primarily involved in the treatment and distribution of water and the treatment of wastewater within Edmonton and other communities throughout Western Canada and the Southwestern U.S.

Distribution and Transmission

Distribution and Transmission is involved in the transmission and distribution of electricity within Edmonton. This segment also provides commercial services including the maintenance and repair of the City-owned street lighting and transportation support facilities.

Energy Services

Energy Services is primarily involved in the provision of regulated tariff electricity service and default supply electricity service to residential, small commercial and agricultural customers in Alberta.

Corporate

Corporate reflects the costs of the Company's net unallocated corporate office expenses and financing revenue on the long-term receivable from Capital Power. Corporate holds the investment in Capital Power.

(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

Lines of business information

Three months ended September 30, 2013	Water Services	Distribution & Transmission	Energy Services	Corporate	Eliminations	Consolidated
External revenues and other income	$ 143	$ 99	$ 274	$ 6	$ -	$ 522
Inter-segment revenues	-	36	3	-	(39)	-
Total revenues and other income	143	135	277	6	(39)	522
Electricity purchases and system access fees	-	48	268	-	(34)	282
Other raw materials and operating charges	31	10	-	-	(2)	39
Staff costs and employee benefits expenses	29	26	4	10	-	69
Depreciation and amortization	19	12	2	4	-	37
Franchise fees and property taxes	6	17	-	-	-	23
Other administrative expenses	5	3	5	4	(3)	14
Operating expenses	90	116	279	18	(39)	464
Operating income (loss) before corporate charges	53	19	(2)	(12)	-	58
Corporate (charges) income	(6)	(7)	(4)	17	-	-
Operating income (loss)	47	12	(6)	5	-	58
Finance income (expenses)	(19)	(7)	(2)	2	-	(26)
Equity share of income of Capital Power	-	-	-	17	-	17
Income tax recovery (expense)	(1)	-	2	-	-	1
Net income (loss)	$ 27	$ 5	$ (6)	$ 24	$ -	$ 50
Total assets	$ 2,661	$ 1,720	$ 222	$ 1,203	$ (303)	$ 5,503
Investment in Capital Power	-	-	-	631	-	631
Total liabilities	2,076	1,080	150	230	(303)	3,233
Capital additions	53	75	1	1	-	130

(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

Three months ended September 30, 2012	Water Services	Distribution & Transmission	Energy Services	Corporate	Eliminations	Consolidated
External revenues and other income	$ 130	$ 97	$ 286	$ 4	$ -	$ 517
Inter-segment revenues	-	42	3	-	(45)	-
Total revenues and other income	130	139	289	4	(45)	517
Electricity purchases and system access fees	-	39	279	-	(38)	280
Other raw materials and operating charges	25	15	-	1	(3)	38
Staff costs and employee benefits expenses	27	23	4	14	-	68
Depreciation and amortization	18	12	2	3	-	35
Franchise fees and property taxes	6	17	-	-	-	23
Other administrative expenses	3	4	6	2	(4)	11
Operating expenses	79	110	291	20	(45)	455
Operating income (loss) before corporate charges	51	29	(2)	(16)	-	62
Corporate (charges) income	(9)	(8)	(4)	21	-	-
Operating income (loss)	42	21	(6)	5	-	62
Finance expenses	(19)	(8)	(2)	-	-	(29)
Equity share of income of Capital Power	-	-	-	26	-	26
Income tax recovery	-	-	2	2	-	4
Net income (loss)	$ 23	$ 13	$ (6)	$ 33	$ -	$ 63
Total assets	$ 2,617	$ 1,484	$ 244	$ 1,922	$ (670)	$ 5,597
Investment in Capital Power	-	-	-	745	-	745
Total liabilities (note 3)	2,113	884	209	733	(670)	3,269
Capital additions	39	55	2	1	-	97

(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

Nine months ended September 30, 2013	Water Services	Distribution & Transmission	Energy Services	Corporate	Eliminations	Consolidated
External revenues and other income	$ 392	$ 280	$ 766	$ 20	$ -	$ 1,458
Inter-segment revenues	-	114	8	-	(122)	-
Total revenues and other income	392	394	774	20	(122)	1,458
Electricity purchases and system access fees	-	125	709	-	(106)	728
Other raw materials and operating charges	90	25	-	-	(7)	108
Staff costs and employee benefits expenses	89	75	16	31	-	211
Depreciation and amortization	52	37	5	11	-	105
Franchise fees and property taxes	17	49	-	-	-	66
Other administrative expenses	17	9	16	9	(9)	42
Operating expenses	265	320	746	51	(122)	1,260
Operating income (loss) before corporate charges	127	74	28	(31)	-	198
Corporate (charges) income	(20)	(22)	(10)	52	-	-
Operating income	107	52	18	21	-	198
Finance income (expenses)	(58)	(22)	(6)	6	-	(80)
Equity share of income of Capital Power	-	-	-	41	-	41
Income tax expense	(3)	-	(3)	(1)	-	(7)
Net income	$ 46	$ 30	$ 9	$ 67	$ -	$ 152
Total assets	$ 2,661	$ 1,720	$ 222	$ 1,203	$ (303)	$ 5,503
Investment in Capital Power	-	-	-	631	-	631
Total liabilities	2,076	1,080	150	230	(303)	3,233
Capital additions	96	205	4	4	-	309

(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

Nine months ended September 30, 2012	Water Services	Distribution & Transmission	Energy Services	Corporate	Eliminations	Consolidated
External revenues and other income	$ 339	$ 261	$ 837	$ 19	$ -	$ 1,456
Inter-segment revenues	-	121	8	-	(129)	-
Total revenues and other income	339	382	845	19	(129)	1,456
Electricity purchases and system access fees	-	99	780	-	(113)	766
Other raw materials and operating charges	73	35	-	1	(7)	102
Staff costs and employee benefits expenses	82	67	17	41	-	207
Depreciation and amortization	51	34	6	10	-	101
Franchise fees and property taxes	16	46	-	-	-	62
Other administrative expenses	13	9	19	8	(9)	40
Foreign exchange loss	-	-	-	3	-	3
Operating expenses	235	290	822	63	(129)	1,281
Operating income (loss) before corporate charges	104	92	23	(44)	-	175
Corporate (charges) income	(24)	(26)	(11)	61	-	-
Operating income	80	66	12	17	-	175
Finance expenses	(55)	(23)	(7)	(2)	-	(87)
Equity share of income of Capital Power	-	-	-	33	-	33
Loss on sale of a portion of investment in Capital Power	-	-	-	(36)	-	(36)
Income tax recovery (expense)	-	-	(1)	3	-	2
Net income	$ 25	$ 43	$ 4	$ 15	$ -	$ 87
Total assets	$ 2,617	$ 1,484	$ 244	$ 1,922	$ (670)	$ 5,597
Investment in Capital Power	-	-	-	745	-	745
Total liabilities (note 3)	2,113	884	209	733	(670)	3,269
Capital additions	71	141	3	5	-	220

(Unaudited, tabular amounts in millions of Canadian dollars unless otherwise indicated)

Geographic information

	Three months ended September 30, 2013				Nine months ended September 30, 2013			
	Canada	U.S.	Inter-segment eliminations	Total	Canada	U.S.	Inter-segment eliminations	Total
External revenues and other income	$ 479	$ 43	$ -	$ 522	$ 1,347	$ 111	$ -	$1,458
Inter-segment revenues	39	-	(39)	-	122	-	(122)	-
Total revenues and other income	$ 518	$ 43	$ (39)	$ 522	$ 1,469	$ 111	$ (122)	$1,458

	Three months ended September 30, 2012				Nine months ended September 30, 2012			
	Canada	U.S.	Inter-segment eliminations	Total	Canada	U.S.	Inter-segment eliminations	Total
External revenues and other income	$ 477	$ 40	$ -	$ 517	$ 1,363	$ 93	$ -	$1,456
Inter-segment revenues	45	-	(45)	-	129	-	(129)	-
Total revenues and other income	$ 522	$ 40	$ (45)	$ 517	$ 1,492	$ 93	$ (129)	$1,456

Non-current assets

	September 30, 2013	December 31, 2012
Canada	$ 4,334	$ 4,109
U.S.	712	711
	$ 5,046	$ 4,820

8. Comparative figures

Certain of the comparative figures have been reclassified to conform with the presentation of the current year.