

**SECOND QUARTER 2003**

	Three months ended		Six months ended	
	June 30		June 30	
(unaudited - millions of dollars, except return on equity and operating statistics)	2003	2002 ¹	2003	2002 ¹
Total revenue	\$ 276.9	\$ 272.3	\$ 608.7	\$ 546.6
Operating expenses	223.9	214.0	505.7	430.3
Earnings before interest and income tax	53.0	58.3	103.0	116.3
Interest	3.3	3.7	6.8	8.0
Income tax	13.6	10.7	25.2	22.9
Net earnings	\$ 36.1	\$ 43.9	\$ 71.0	\$ 85.4
Return on equity (annualized)			14%	15%
Payments to shareholder:				
Dividends	12.5	7.5	25.0	20.0
Municipal consent and access fees ²	17.6	18.3	35.5	35.3
Operating statistics:				
Energy sold (gigawatt hours)	2,274	2,258	4,763	4,760
Energy delivered (gigawatt hours) ³	1,918	1,878	3,906	3,831

1. The comparative figures have been restated. See Note 3 to interim consolidated financial statements.
2. Fees ENMAX pays in lieu of property and education taxes for the use of The City's rights-of-way that are included in regulated distribution rates charged to retailers.
3. In the third quarter of 2002, ENMAX began reporting energy delivered volumes based on amounts recorded at customers' meters. Prior periods have been restated using this methodology.

MANAGEMENT'S DISCUSSION AND ANALYSIS

The following discussion and analysis should be read in conjunction with the accompanying unaudited consolidated financial statements of ENMAX Corporation (ENMAX or the corporation) for the six months ended June 30, 2003 and 2002, as well as the 2002 Annual Report. Amounts are stated in Canadian dollars unless otherwise indicated.

RESULTS OF OPERATIONS

Consolidated

In the first half of 2003, ENMAX Corporation recorded net earnings of \$71.0 million, including \$36.1 million in the second quarter of 2003. By comparison, ENMAX recorded \$85.4 million in net earnings in the first six months of 2002, including \$43.9 million in the second quarter of 2002. Net earnings in the second quarter of 2002 included receipt of \$30.3 million related to the outage of the Wabamun 4 electrical generation unit in 2001, which was recorded as a reduction to electric costs in the second quarter of 2002. Excluding this unusual item in 2002, net earnings increased in the first six months of 2003 compared to 2002, reflecting higher earnings from ENMAX Power.

Total revenue for the first six months of 2003 was \$608.7 million compared to \$546.6 million in the first six months of 2002. In the second quarter of 2003, total revenue was \$276.9 million compared to \$272.3 million in the second quarter of 2002. The increase in total revenue for the first half of 2003 compared to the first half of 2002 was due primarily to higher market prices in the first quarter of 2003. The increase in total revenue was offset partially by a regulatory decision in the second quarter of 2003 which decreased the amount of revenue to be collected from customers on the Regulated Rate Option (RRO) tariff in 2003.

In the first six months of 2003, total revenue consisted of \$426.6 million from sales of electricity and natural gas, \$140.2 million from distributing electricity and leasing transmission facilities, and \$41.9 million from contractual services and other revenue. Sales of electricity and natural gas includes energy trading revenue. Year to date, energy trading revenue was \$13.8 million compared to \$8.6 million in the first half of 2002. During the second quarter of 2003, energy trading revenue was \$3.8 million compared to \$2.8 million in the second quarter of 2002. The increase in energy trading revenue was due to higher market prices in 2003.

In the first six months of 2003, cost of services provided was \$454.1 million compared to \$379.1 million in the same period in 2002. The main drivers of higher costs of services in the first six months of 2003, compared to the same period in 2002, were ENMAX Energy's purchase of electricity supply at increased Power Pool prices during the first quarter of 2003 and the impact of the \$30.3 million received in the second quarter of 2002 for the outage of the Wabamun 4 electrical generation unit.

During the same period, general and administrative expenses were \$25.1 million compared to \$30.2 million in the first six months of 2002. Year to date, expenses are down compared to the same period in 2002, primarily due to lower staffing and consulting costs in 2003.

Interest expense in the first six months of 2003 was \$6.8 million compared to \$8.0 million in the same period in 2002. The decrease was due to lower debt levels in the first half of 2003 compared to the same period in 2002. Income tax expense rose from \$22.9 million in the first half of 2002 to \$25.2 million in the first half of 2003. Higher income taxes reflect higher taxable income in the energy trading subsidiary, which is subject to the Alberta government's payment-in-lieu-of-tax regulation. Consistent with its dividend policy, ENMAX paid dividends to The City of Calgary of \$25.0 million in the first six months of 2003 compared to \$20.0 million in the same period in 2002.

LIQUIDITY AND CAPITAL RESOURCES

Capitalization

<i>(millions of dollars, unaudited)</i>	June 30, 2003	December 31, 2002
Cash and cash equivalents	\$ 36.2	\$ 3.3
Long-term debt ⁽¹⁾	174.7	183.8
Shareholder's equity		
Share capital	280.1	280.1
Retained earnings	774.9	728.9
Total shareholder's equity	1,055.0	1,009.0
Total capitalization	\$ 1,229.7	\$ 1,192.8

(1) Includes current portion of \$22.6 million (December 31, 2002 - \$23.2 million). Maturity dates range from July 2003 to October 2015.

Coverage Ratios

	For the Six Months Ended June 30, 2003	For the Year Ended December 31, 2002
Debt to total capitalization (as at period end)	14.2%	15.4%
Interest coverage ratio ⁽¹⁾	15.1X	15.4X

(1) Interest coverage on long-term debt is equal to earnings before interest and taxes divided by interest expense.

Cash Provided by Operating Activities

For the first six months of 2003, cash provided by operating activities was \$143.2 million compared with \$147.9 million in the same period in 2002. Funds for ongoing cash requirements will come from cash flow from operations, available lines of credit and a commercial paper program. ENMAX continues to generate adequate amounts of cash and cash equivalents to meet short-term requirements.

Investing Activities

Capital spending was \$100.0 million in the first six months of 2003. Expenditures were related mainly to expansion of the distribution system, investment in the McBride Lake wind farm project and development of new office space.

Financing Activities

ENMAX repaid \$9.1 million of long-term debt during the first six months of 2003. An additional \$22.6 million in long-term debt is scheduled for maturity before June 30, 2004. The Securities Commissions accepted the corporation's final Non-Offering Prospectus on July 28, 2003. It is anticipated ENMAX will be able to support strategic growth by issuing debt through this program early in 2004.

SEGMENTED INFORMATION

In the first quarter of 2003, ENMAX's business segments were revised to reflect internal organizational changes. The new operating segments are: ENMAX Energy, which now includes the billing and customer care function of ENMAX Encompass Inc., previously reported as a separate segment; and, ENMAX Power, which includes the regulated transmission and distribution business, and ENMAX Power Services Inc., the unregulated power services business previously managed by ENMAX Energy. In addition, corporate costs are now included within the operating segment results instead of presented with the eliminations. Comparative periods have been restated to reflect these changes.

BUSINESS SEGMENT RESULTS

ENMAX Energy

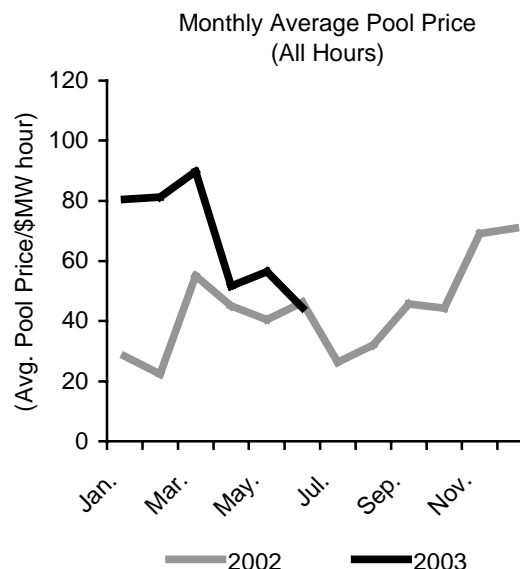
ENMAX Energy had net earnings of \$41.3 million in the first six months of 2003, including \$22.1 million recorded in the second quarter of 2003. This compares to net earnings of \$73.3 million during the first six months of 2002, including \$39.4 million in the second quarter of 2002.

Year to date, net earnings were down relative to the same period in 2002 primarily because of the arbitration award for the Wabamun 4 outage, which reduced electricity costs by \$30.3 million in the second quarter of 2002. In addition, ENMAX Energy experienced tighter margins in the first quarter of 2003 due to the loss of supply from the decommissioning of Wabamun 3 generating unit combined with higher wholesale prices for electricity. To decrease exposure to higher wholesale prices, ENMAX Energy secured an additional 81 megawatts of fixed-price supply, which became available in April 2003.

Total revenue during the first six months of 2003 was \$548.5 million, including \$246.0 million recorded in the second quarter of 2003. In the first six months of 2002, ENMAX Energy had total revenue of \$499.5 million, including \$248.5 million in the second quarter of 2002. Total revenues for the first half of 2003 are higher than in the same period in 2002 because of the impact of higher wholesale prices in the first quarter of 2003 on flow through customer rates.

ENMAX Power has appointed ENMAX Energy to be the RRO provider in Calgary. In June 2003, the Electrical Utility Regulation Committee (EURC) made a decision on the 2003 RRO tariff, effective January 1, 2003. Key elements of the decision include the reduction of the energy commodity price from an interim rate of 5.985 cents per kilowatt-hour to a final decision rate of 5.482 cents per kilowatt-hour. The billing and administration charge was also reduced from an interim amount of \$6.05 per month to \$5.60 per month. As a result of this decision, in June 2003 ENMAX Energy recorded a reduction of \$5.4 million to electricity sales for the first six months of 2003. Customers will receive a refund for amounts collected above the newly approved final rate through a credit on bills in the third quarter of 2003.

Wholesale prices for electricity in Alberta averaged \$51 per megawatt-hour (MWh) in the second quarter of 2003 compared to \$84 per MWh in the first quarter of 2003 and \$44 per MWh in the second quarter of 2002. Electricity prices declined relative to the first quarter of 2003 due to lower consumer demand, a decrease in natural gas prices and less spot price volatility. Natural gas prices averaged \$6 per gigajoule (GJ) in the second quarter of 2003 compared to \$8 per GJ in the prior quarter and \$3.54 per GJ in the second quarter of 2002.



Customers purchased 2,274 gigawatt hours (GWh) of electricity in the second quarter of 2003 compared to 2,258 GWh in the second quarter of 2002. ENMAX Energy continues to actively market customized and fixed price contracts to all market segments.

On June 16, 2003, the billing and customer service functions carried out by ENMAX Encompass Inc., a wholly owned subsidiary of ENMAX, were outsourced to Accenture Business Services for Utilities, a wholly owned Canadian subsidiary of Accenture Inc. This arrangement is expected to improve customer service capabilities while reducing the cost of providing services. As a part of this arrangement, ENMAX sold capital assets to Accenture for proceeds equal to the book value of \$9.8 million.

ENMAX Green Power Inc., a wholly owned subsidiary of ENMAX Energy, and its equal partner, Vision Quest Windelectric Inc., announced completion of the McBride Lake, \$100 million wind farm in June 2003. The 114-wind turbine, 75-megawatt, electricity generating facility is located near Fort Macleod, Alberta. The project was completed on time and on budget. The wind farm will produce enough energy to power more than 32,500 homes annually. Vision Quest will operate the facility and ENMAX will purchase and market the output through ENMAX Energy's retail Greenmax marketing program. The project is supported by the federal government's Wind Power Production Incentive program.

ENMAX Power

ENMAX Power recorded net earnings of \$28.4 million in the first half of 2003, including \$13.6 million in the second quarter, compared to \$10.8 million and \$4.1 million in the respective periods of 2002. Year to date, earnings were higher than in the same 2002 period, due primarily to a \$10.2 million reduction in grid charges from the Alberta Electric System Operator (AESO), combined with higher operating earnings from the unregulated power services business.

ENMAX Power had total revenue of \$170.0 million in the first six months of 2003, including \$86.2 million in the second quarter. In the comparable periods of 2002, the business had total revenue of \$159.0 million and \$79.5 million. The variance between the first six months of 2002 and 2003 was due primarily to an increase in

contractual services revenue, reflecting higher construction activity in the unregulated power services business.

ENMAX Power delivered 1,918 GWh in the second quarter of 2003, for a total of 3,906 GWh year to date. Delivered volumes in the first half of 2003 are up 2% over the same period in 2002 due to growth in consumer demand in and around Calgary.

Year to date, grid charges are \$25.9 million, of which \$10.9 million was incurred in the second quarter of 2003. In 2002, grid charges were \$36.1 million for the first six months, including \$16.9 million in the second quarter. Grid charges are lower in 2003 because the AESO has a deferral account surplus compared to 2002, where there was a deferral account shortfall. Offsetting this downward pressure on grid charges in 2003 was the impact of higher wholesale electricity prices.

During the first six months of 2003, ENMAX Power recorded \$35.5 million in municipal consent and access fees, including \$17.6 million in the second quarter of 2003. This compares to \$35.3 million recorded in the first six months of 2002. Fees recorded to date in 2003 are slightly higher than in the first half of 2002 due to an increase in delivered volumes. Fees are based on a percentage of the Distribution Access Tariff (DAT) charged to retailers and a percentage of the RRO rate multiplied by delivered electricity volumes. The 2003 RRO decision by EURC has no financial impact for ENMAX Power, however municipal consent and access fees collected on behalf of The City of Calgary will be reduced in the second half of 2003 because of the lower final RRO rate approved by EURC.

ENMAX Power measures reliability performance based on frequency of system interruptions and total duration of interruptions over a 12-month period. On average, customers experienced 1.15 interruptions, which totaled 37.2 minutes of interruption time for the 12 months ended June 30, 2003. This compares to an average of 1.44 interruptions, which totaled 46.8 minutes of interruption time during the previous 12-month period. The reduction in both frequency and duration of interruptions is due to fewer spring storms compared to 2002. In the second quarter of 2003, the Canadian Electricity Association published reliability statistics for Canadian utilities in 2002. For the sixth consecutive year, ENMAX Power outperformed the Canadian urban average for both frequency and total duration of system interruptions.

RISK MANAGEMENT AND UNCERTAINTIES

ENMAX has an integrated approach to risk management across all ENMAX companies. The Risk Management Committee, consisting of ENMAX senior executives, oversees risk management and reports risk exposures to the board of directors. Financial and business risks reported in the 2002 Annual Report remain substantially unchanged during the first six months of 2003. For further information on risks, refer to Management's Discussion and Analysis in the 2002 Annual Report, available on the ENMAX website at enmax.com.

OUTLOOK

Wholesale electricity prices from the Power Pool of Alberta are expected to average in the \$60 to \$65 per MWh range in 2003. Natural gas prices are expected to average about \$6 per GJ for the balance of 2003. Net earnings for the remainder of the year are expected to remain at levels similar to the first half of 2003.

In July, ENMAX Power submitted its application in an Alberta Energy and Utility Board (EUB) omnibus review of the cost of capital it allows for equity investments in regulated assets. This generic hearing will provide a similar direction for all major utilities in Alberta, including ENMAX. A decision is expected by year-end, effective for 2004.

ENMAX Power will file its 2004 Distribution Tariff and 2004 Regulated Rate Tariff with the EUB this year. Interim decisions on these tariff applications are expected in November 2003, with final decisions expected in 2004.

COMMUNITY AND ENVIRONMENT

ENMAX invested about \$700,000 into community programs during the second quarter of 2003. Contributions were allocated in the following categories: 45% community development, 30% sports and recreation, and 25% youth and education. In June 2003, ENMAX announced a \$1 million donation to Mount Royal College to establish a scholarship program and five-year speaker series. As well, the company initiated a new scholarship program with The Calgary Storm and Calgary Minor Soccer Association. ENMAX is in its third year of supporting of Alberta Rodeo and the Alberta High School Rodeo Association.

In the first six months of 2003, ENMAX had no reportable, preventable releases to the environment.

FORWARD-LOOKING INFORMATION

Certain information in this quarterly report is forward-looking information and related, among other things, to anticipated financial performance, business prospects and strategies. Forward-looking information typically contains statements with words such as "anticipate", "believe", "expect", "plan", "target" or similar words suggesting future outcomes. By their nature, such statements are subject to various risks and uncertainties, which could cause ENMAX's actual results and experience to differ materially from the anticipated results. Such risks and uncertainties include, but are not limited to, competitive factors and pricing pressures, regulatory decisions and the impact of deregulation on the industry.

CONTACT INFORMATION

ENMAX is an energy distribution, transmission and retail supply and services company, wholly owned by The City of Calgary. The business is led by ENMAX Corporation and carried out through subsidiary companies. ENMAX Energy Corporation ensures a balanced energy supply portfolio and competes against other retailers in Alberta to provide customers with electricity and natural gas. ENMAX Power Corporation owns, operates and maintains the regulated distribution and transmission system transmitting electricity to customers in the Calgary area, and provides power services through an unregulated subsidiary.

ENMAX welcomes questions from stakeholders.

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Visit the ENMAX website at enmax.com

CONSOLIDATED BALANCE SHEETS

(millions of dollars)	June 30, 2003 (unaudited)	December 31, 2002 (audited)
ASSETS		
Cash and cash equivalents	\$ 36.2	\$ 3.3
Accounts receivable	168.6	180.7
Inventories	11.9	10.1
Current portion of 2000 deficiency rider receivable	50.2	48.9
Other current assets	1.7	26.7
	<u>268.6</u>	<u>269.7</u>
Capital assets	696.9	633.2
Power purchase arrangements	174.7	179.7
2000 deficiency rider receivable	25.1	49.0
Future income tax asset	207.7	231.8
Other long-term assets	8.6	-
TOTAL ASSETS	<u>\$ 1,381.6</u>	<u>\$ 1,363.4</u>
LIABILITIES		
Accounts payable and accrued liabilities	\$ 128.2	\$ 146.9
Customer guarantee deposits	13.0	13.9
Current portion of long-term debt	22.6	23.2
	<u>163.8</u>	<u>184.0</u>
Long-term debt	152.1	160.6
Other long-term liabilities	10.7	9.8
TOTAL LIABILITIES	<u>326.6</u>	<u>354.4</u>
SHAREHOLDER'S EQUITY		
Share capital	280.1	280.1
Retained earnings	774.9	728.9
TOTAL SHAREHOLDER'S EQUITY	<u>1,055.0</u>	<u>1,009.0</u>
TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY	<u>\$ 1,381.6</u>	<u>\$ 1,363.4</u>

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF EARNINGS AND RETAINED EARNINGS

(millions of dollars) (unaudited)	Three months ended June 30		Six months ended June 30	
	2003	2002	2003	2002
	(See Note 3)		(See Note 3)	
REVENUE				
Sales of electricity and natural gas	\$ 185.6	\$ 184.9	\$ 426.6	\$ 377.9
Transmission and distribution revenue	69.7	68.8	140.2	137.6
Contractual services and other	21.6	18.6	41.9	31.1
TOTAL REVENUE	276.9	272.3	608.7	546.6
COST OF SERVICES PROVIDED				
Electric and natural gas costs	91.1	88.0	255.8	194.7
Grid charges	43.1	44.6	83.0	83.9
Municipal consent and access	17.6	18.3	35.5	35.3
Operations and maintenance	22.5	21.0	39.0	35.4
Billing and collection	11.5	8.1	20.5	16.2
Cost of providing contractual services	11.3	8.6	20.3	13.6
TOTAL COST OF SERVICES PROVIDED	197.1	188.6	454.1	379.1
GROSS MARGIN	79.8	83.7	154.6	167.5
General and administrative	14.6	15.3	25.1	30.2
Amortization	12.2	10.1	26.5	21.0
OPERATING EARNINGS BEFORE INTEREST AND INCOME TAX CHARGES	53.0	58.3	103.0	116.3
Interest	3.3	3.7	6.8	8.0
NET EARNINGS BEFORE INCOME TAX	49.7	54.6	96.2	108.3
Income tax	13.6	10.7	25.2	22.9
NET EARNINGS	36.1	43.9	71.0	85.4
RETAINED EARNINGS, BEGINNING OF PERIOD	751.3	626.3	728.9	597.3
Dividends	(12.5)	(7.5)	(25.0)	(20.0)
RETAINED EARNINGS, END OF PERIOD	\$ 774.9	\$ 662.7	\$ 774.9	\$ 662.7

See accompanying notes to consolidated financial statements.

CONSOLIDATED STATEMENTS OF CASH FLOWS

(millions of dollars) (unaudited)	Three months ended June 30		Six months ended June 30	
	2003	2002	2003	2002
	(See Note 3)		(See Note 3)	
CASH PROVIDED BY (USED IN):				
OPERATING ACTIVITIES				
Net earnings	\$ 36.1	\$ 43.9	\$ 71.0	\$ 85.4
Amortization	14.7	20.6	31.5	41.9
Future income taxes	13.6	12.5	24.1	21.6
	<u>64.4</u>	<u>77.0</u>	<u>126.6</u>	<u>148.9</u>
Change in non-cash working capital items	29.6	21.1	16.6	(1.0)
	<u>94.0</u>	<u>98.1</u>	<u>143.2</u>	<u>147.9</u>
INVESTING ACTIVITIES				
Purchase of capital assets	(52.4)	(46.7)	(108.9)	(70.4)
Proceeds on sale of assets	9.8	-	9.8	-
Contributions in aid of construction	3.9	2.3	8.9	4.4
2000 deficiency rider receivable collected	11.1	11.5	22.6	18.9
Customer guarantee deposits	(0.9)	0.3	(0.9)	(0.8)
Other long-term assets	(8.6)	-	(8.6)	-
	<u>(37.1)</u>	<u>(32.6)</u>	<u>(77.1)</u>	<u>(47.9)</u>
FINANCING ACTIVITIES				
Commercial paper repaid	(9.5)	(54.8)	-	(77.8)
Long-term debt repaid	(4.3)	(4.6)	(9.1)	(8.9)
Other long-term liabilities	0.3	0.2	0.9	0.5
Dividends paid	(12.5)	(7.5)	(25.0)	(20.0)
	<u>(26.0)</u>	<u>(66.7)</u>	<u>(33.2)</u>	<u>(106.2)</u>
(Decrease)/increase in cash and cash equivalents	30.9	(1.2)	32.9	(6.2)
Cash and cash equivalents, beginning of period	5.3	1.2	3.3	6.2
Cash and cash equivalents, end of period	<u>\$ 36.2</u>	<u>\$ -</u>	<u>\$ 36.2</u>	<u>\$ -</u>
Interest paid	<u>\$ 3.2</u>	<u>\$ 4.0</u>	<u>\$ 6.8</u>	<u>\$ 8.5</u>
Income taxes paid	<u>\$ 0.3</u>	<u>\$ 1.0</u>	<u>\$ 0.6</u>	<u>\$ 6.5</u>

See accompanying notes to consolidated financial statements.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

(Unaudited)

1. Significant Accounting Policies

The interim consolidated financial statements of ENMAX Corporation (ENMAX or the corporation) have been prepared in accordance with Canadian generally accepted accounting principles. The accounting policies applied are consistent with those outlined in the corporation's annual financial statements for the year ended December 31, 2002. These interim consolidated financial statements do not include all disclosures required in the annual financial statements and should be read in conjunction with the annual consolidated financial statements included in ENMAX's 2002 Annual Report. Amounts are stated in Canadian dollars unless otherwise indicated.

ENMAX is subject to fluctuations in the demand for and price of electricity and natural gas, therefore interim results are not necessarily indicative of annual results.

2. Segmented Information⁽¹⁾

Three months ended June 30 (unaudited) (millions of dollars)	ENMAX Energy		ENMAX Power		Intersegment Eliminations		Consolidated Totals	
	2003	2002	2003	2002	2003	2002	2003	2002
REVENUE								
Sales of electricity and natural gas	\$ 238.2	\$ 241.1	\$ -	\$ -	\$ (52.6)	\$ (56.2)	\$ 185.6	\$ 184.9
Transmission and distribution revenue	-	-	69.7	68.8	-	-	69.7	68.8
Contractual services and other	7.8	7.4	16.5	10.7	(2.7)	0.5	21.6	18.6
TOTAL REVENUE	246.0	248.5	86.2	79.5	(55.3)	(55.7)	276.9	272.3
COST OF SERVICES PROVIDED								
Electric and natural gas costs ⁽²⁾	91.1	88.0	-	-	-	-	91.1	88.0
Grid charges	85.2	83.9	10.9	16.9	(53.0)	(56.2)	43.1	44.6
Municipal consent and access	-	-	17.6	18.3	-	-	17.6	18.3
Operations and maintenance	10.5	8.7	12.0	12.3	-	-	22.5	21.0
Billing and collection	11.5	7.8	-	0.3	-	-	11.5	8.1
Cost of providing contractual services	0.3	-	11.0	8.1	-	0.5	11.3	8.6
TOTAL COST OF SERVICES PROVIDED	198.6	188.4	51.5	55.9	(53.0)	(55.7)	197.1	188.6
GROSS MARGIN	47.4	60.1	34.7	23.6	(2.3)	-	79.8	83.7
General and administrative	7.1	6.6	7.7	8.7	(0.2)	-	14.6	15.3
Amortization	4.4	3.7	8.8	7.4	(1.0)	(1.0)	12.2	10.1
OPERATING EARNINGS	35.9	49.8	18.2	7.5	(1.1)	1.0	53.0	58.3
Interest	0.8	0.3	4.6	3.4	(2.1)	-	3.3	3.7
Income tax	13.0	10.1	-	-	0.6	0.6	13.6	10.7
NET EARNINGS	\$ 22.1	\$ 39.4	\$ 13.6	\$ 4.1	\$ 0.4	\$ 0.4	\$ 36.1	\$ 43.9

1. In the first quarter of 2003, ENMAX's business segments were revised to reflect internal organizational changes.

The new operating segments are: ENMAX Energy, which now includes the billing and customer care function previously reported as the separate segment called ENMAX Encompass; and, ENMAX Power, which includes the regulated transmission and distribution business, and the unregulated power services business previously managed by ENMAX Energy. In addition, corporate costs are now included within the operating segment results instead of being presented with the eliminations.

Comparative periods have been restated to reflect these changes.

2. Included in electric costs is \$2.5 million (2002 - \$10.5 million) pertaining to the amortization of PPAs.

SECOND QUARTER 2003 REPORT

Six months ended June 30 (unaudited) (millions of dollars)	ENMAX Energy		ENMAX Power		Intersegment Eliminations		Consolidated Totals	
	2003	2002	2003	2002	2003	2002	2003	2002
REVENUE								
Sales of electricity and natural gas	\$ 532.1	\$ 488.5	\$ -	\$ -	\$(105.5)	\$ (110.6)	\$ 426.6	\$ 377.9
Transmission and distribution revenue	-	-	140.2	137.6	-	-	140.2	137.6
Contractual services and other	16.4	11.0	29.8	21.4	(4.3)	(1.3)	41.9	31.1
TOTAL REVENUE	548.5	499.5	170.0	159.0	(109.8)	(111.9)	608.7	546.6
COST OF SERVICES PROVIDED								
Electric and natural gas costs ⁽¹⁾	255.8	194.7	-	-	-	-	255.8	194.7
Grid charges	163.1	158.4	25.9	36.1	(106.0)	(110.6)	83.0	83.9
Municipal consent and access	-	-	35.5	35.3	-	-	35.5	35.3
Operations and maintenance	17.4	14.6	21.6	20.8	-	-	39.0	35.4
Billing and collection	20.5	15.7	-	0.5	-	-	20.5	16.2
Cost of providing contractual services	0.3	0.4	19.8	14.5	0.2	(1.3)	20.3	13.6
TOTAL COST OF SERVICES PROVIDED	457.1	383.8	102.8	107.2	(105.8)	(111.9)	454.1	379.1
GROSS MARGIN	91.4	115.7	67.2	51.8	(4.0)	-	154.6	167.5
General and administrative	13.8	12.3	11.8	17.9	(0.5)	-	25.1	30.2
Amortization	10.4	7.1	18.2	16.0	(2.1)	(2.1)	26.5	21.0
OPERATING EARNINGS	67.2	96.3	37.2	17.9	(1.4)	2.1	103.0	116.3
Interest	1.5	0.9	8.8	7.1	(3.5)	-	6.8	8.0
Income tax	24.4	22.1	-	-	0.8	0.8	25.2	22.9
NET EARNINGS	\$ 41.3	\$ 73.3	\$ 28.4	\$ 10.8	\$ 1.3	\$ 1.3	\$ 71.0	\$ 85.4

1. Included in electric costs is \$5.0 million (2002 - \$20.9 million) pertaining to the amortization of PPAs.

Total Assets (millions of dollars)	June 30, 2003 (unaudited)	December 31, 2002
ENMAX Energy	\$ 761.5	\$ 832.8
ENMAX Power	633.3	652.2
Corporate and eliminations	(13.2)	(121.6)
	\$ 1,381.6	\$ 1,363.4

3. Comparative Figures

The comparative figures for the periods ended June 30, 2002 have been restated as follows:

(millions of dollars)	Three months ended June 30, 2002	Six months ended June 30, 2002
Net earnings as previously reported	49.4	90.9
ENMAX Energy revenue accruals adjusted per final validation of industry load settlement data	(5.5)	(5.5)
Net earnings as restated	43.9	85.4

The adjustment was originally recorded and disclosed in the fourth quarter of 2002 and has no impact on previously reported annual net earnings for 2002.

Certain comparative figures have been reclassified to conform with the current period's presentation.