

HYDRO ONE NETWORKS INC.
DISTRIBUTION
Pro Forma Statement of Income
Bridge Year (2007) and Forecast Year (2008)
Year Ending December 31
(\$ Millions)

Line No.	Particulars	2007 (a)	2008 (b)
	<u>Revenues</u>		
1	Retail power & energy	945	1,000
2	Commodity flow-through	1,969	1,959
3	LV	26	26
4	Other	41	42
5		<u>2,982</u>	<u>3,027</u>
	<u>Costs</u>		
6	OM&A	490	489
7	Cost of power	1,969	1,959
8	Depreciation	255	266
9	Capital tax	11	12
10		<u>2,725</u>	<u>2,726</u>
11	Earnings before interest and income tax	<u>256</u>	<u>301</u>
12	Interest expense	112	122
13	Earnings before income tax	<u>145</u>	<u>179</u>
14	Income tax	51	42
15	Net income	<u><u>94</u></u>	<u><u>138</u></u>