

**HYDRO ONE NETWORKS INC.  
DISTRIBUTION**

Capital Taxes  
Test Year (2008)  
Year Ending December 31  
(\$ Millions)

Line No.	Particulars	2008
	<u>Capital Taxes</u>	
1	Rate Base (year end):	
2	Gross Plant at Cost	\$ 6,723.0
3	Less Accumulated Depreciation	(2,437.9)
4	Net Plant in Service	<u>4,285.1</u>
7	Cash Working Capital	273.2
8	Materials and Supplies	23.4
9	Total Working Capital	<u>\$ 296.6</u>
10	Rate Base (net plant in service + working capital)	\$ 4,581.7
11	Less Cumulative Excess of Book Value Over Tax Value	<u>(595.3)</u>
12	Taxable Capital	\$ 3,986.4
13	Less Provincial Exemption	(5.8)
14	Net Taxable Capital	<u>\$ 3,980.6</u>
15	Capital Tax Rate	0.285 %
16	Total Capital Taxes	<u>\$ 11.3</u>