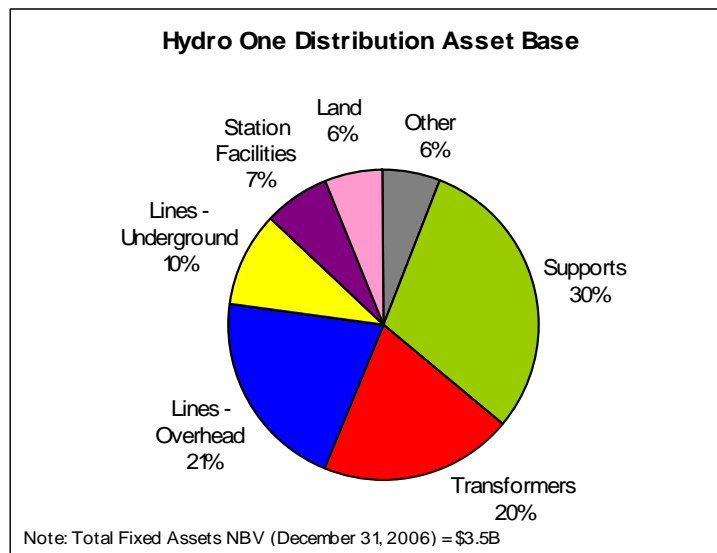


DISTRIBUTION ASSETS

1.0 INTRODUCTION

At Dec. 31, 2006, Hydro One Distribution managed \$3.5 billion of distribution net fixed assets to provide the safe and reliable delivery of electricity, from transmission and generation systems, to approximately 1.2 million customers across the Province of Ontario. The assets consist of about 119,900 circuit kilometers of distribution line, 1006 distributing stations (including 75 regulating stations). The major power system components include; conductors, switches, transformers, insulators, reactors, capacitors, connecting hardware, associated protection and control equipment, foundations, grounding systems and revenue meters. The functional breakout of Hydro One Distribution's asset base is shown in Figure 1 below.

Figure 1



Note: Lines-Underground includes all feeder type, i.e., subtransmission, primary and secondary distribution feeders.

Hydro One Distribution System Assets	
Secondary Distribution Feeders	48,000 km
Poles (line supports)	1.65 million
Distribution Stations	931
Regulating Stations	75
Station Transformers and Regulators	1,477
Pole-mount & Pad-mount Transformers	475,000