

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION**

Cost of Service  
 Historical (2006, 2007, 2008), Bridge (2009) and Test (2010, 2011) Years  
 Year Ending December 31  
 (\$ Millions)

Line No.	Particulars	2006	2007	2008	2009	2010	2011
		(a)	(b)	(c)	(d)	(e)	(f)
1	Total Operation, Maintenance & Administrative Expenses <sup>(Note 1)</sup>	399.3	486.4	471.3	527.1	560.0	575.2
2	Depreciation & Amortization Expenses	249.5	253.8	266.3	246.3	259.2	291.3
3	Capital Taxes	12.1	11.3	9.2	11.5	3.7	0.0
4	Income Taxes <sup>(Note 2)</sup>	46.0	77.0	63.0	(4.1)	12.7	39.5
5	<b>Total Cost of Service</b>	<b>706.9</b>	<b>828.5</b>	<b>809.8</b>	<b>780.8</b>	<b>835.6</b>	<b>906.0</b>

Note 1: 2006 & 2007 OM&A adjusted removal of smart meter OM&A costs

Note 2: Income taxes shown represent those presented on Hydro One Distributions audited Financial Statements