HYDRO ONE NETWORKS INC.
DISTRIBUTION

Depreciation & Amortization Expenses
Bridge Year (2009) and Test Year (2010, 2011)
Year Ending December 31
($ Millions)

Line No.	Particulars	2009 Depreciation Rate %	2009 Provision	2010 Depreciation Rate %	2010 Provision	2011 Depreciation Rate %	2011 Provision
		(a)	(b)	(c)	(d)	(e)	(f)
	Depreciation Expenses						
1	Major Fixed Assets	2.67%	170.7	2.86%	193.2	2.97%	213.4
2	Minor Fixed Assets	10.33%	39.0	11.37%	52.1	11.97%	66.4
3	Depreciation on Fixed Assets		209.7		245.3		279.8
4	Smart Meter Exclusion		(11.9)		(16.5)		(24.2)
5	Net Depreciation on Fixed Assets		197.8		228.8		255.5
6	Less Capitalized Depreciation		(11.6)		(15.4)		(16.9)
7	Asset Removal Costs		30.4		33.0		35.7
8	Total Depreciation Expenses		216.6		246.4		274.3
	Amortization Expenses						
9	Environmental Costs		6.3		12.8		16.9
10	Other Regulatory Amortization *		23.3		7.8		0.0
11	Other Amortization		0.1		0.1		0.1
12	Total Amortization Expenses		29.7		20.6		17.0
13	Total Depreciation & Amortization Expenses		246.3		267.0		291.3
14	Exclude Other Regulatory Amortization*		(23.3)		(7.8)		0.0
15	Depreciation & Amortization for Recovery		223.0		259.2		291.3

* Amortization of regulatory assets excluded from revenue requirement in test year.

HYDRO ONE NETWORKS INC.
DISTRIBUTION

Depreciation & Amortization Expenses
Historical Years (2006, 2007 and 2008)
Year Ending December 31
($ Millions)

		2006		2007		2008	
Line No.	Particulars	Depreciation Rate %	Provision	Depreciation Rate %	Provision	Depreciation Rate %	Provision
		(a)	(b)	(c)	(d)	(e)	(f)
	Depreciation Expenses						
1	Major Fixed Assets	2.48%	133.4	2.38%	134.3	2.53%	151.6
2	Minor Fixed Assets	8.49%	25.7	9.41%	30.8	10.12%	34.4
3	Depreciation on Fixed Assets		159.1		165.1		186.0
4	Less Capitalized Depreciation		(9.7)		(10.8)		(12.4)
5	Asset Removal Costs		30.4		27.5		31.8
6	Losses/(Gains) on Asset Disposition		(1.2)		(1.2)		(0.1)
7	Total Depreciation Expenses		178.6		180.6		205.3
	Amortization Expenses						
8	OPEB		23.7		23.7		23.7
9	Environmental Costs		11.6		6.3		9.1
10	Other Regulatory Amortization		35.5		43.2		28.2
11	Other Amortization		0.1		0.0		0.0
12	Total Amortization Expenses		70.9		73.2		61.0
13	Total Depreciation & Amortization Expenses		249.5		253.8		266.3