

HYDRO ONE NETWORKS INC.
DISTRIBUTION
Calculation of Capital Cost allowance (CCA)
Historic Years
2006 - 2008 Networks Tax Return Allocation to Distribution
Year Ending December 31
(\$ Millions)

Filed: July 13, 2009
EB-2009-0096
Exhibit C2-6-1
Attachment D
Page 1 of 2

2006	<u>Opening</u>	<u>Net</u>	<u>UCC pre-</u>	<u>50% net</u>	<u>UCC for</u>			<u>Closing</u>
<u>CCA Class</u>	<u>UCC</u>	<u>Additions</u>	<u>1/2 yr</u>	<u>additions</u>	<u>CCA</u>	<u>CCA Rate</u>	<u>CCA</u>	<u>UCC</u>
1	2,205.8	(0.4)	2,205.4	-	2,205.4	4%	88.2	2,117.2
2	448.7	-	448.7	-	448.7	6%	26.9	421.8
3	16.3	0.2	16.5	0.1	16.5	5%	0.8	15.7
6	9.1	0.1	9.2	0.1	9.1	10%	0.9	8.3
8	28.8	19.0	47.8	9.5	38.3	20%	7.7	40.1
10	56.5	25.7	82.2	12.9	69.3	30%	20.8	61.4
12	2.5	25.7	28.2	12.8	15.4	100%	15.4	12.8
13	2.4	(0.2)	2.2	-	2.2	10 yrs	0.4	1.8
17	2.3	0.1	2.4	0.1	2.3	8%	0.2	2.2
42	0.3	(0.0)	0.3	(0.1)	0.4	12%	0.0	0.3
45	7.9	7.9	15.8	3.9	11.9	45%	5.3	10.5
47	153.3	250.5	403.8	125.3	278.5	8%	22.3	381.5
Dx CCA	2,933.8	328.7	3,262.5	164.6	3,098.0		188.9	3,073.6
Dx CEC Continuity	45.7	0.1	45.8	-	45.8	7%	3.2	42.6

Less goodwill portion (2.4)
Total ECE for RR 0.8

2007	<u>Opening</u>	<u>Net</u>	<u>UCC pre-</u>	<u>50% net</u>	<u>UCC for</u>			<u>Closing</u>
<u>CCA Class</u>	<u>UCC</u>	<u>Additions</u>	<u>1/2 yr</u>	<u>additions</u>	<u>CCA</u>	<u>CCA Rate</u>	<u>CCA</u>	<u>UCC</u>
1	2,117.2	2.6	2,119.8	-	2,119.8	4%	85.0	2,034.8
2	421.8	(0.1)	421.7	-	421.7	6%	25.3	396.4
3	15.7	-	15.7	0.1	15.7	5%	0.8	14.9
6	8.3	0.9	9.2	0.5	8.7	10%	0.9	8.3
8	40.1	15.1	55.2	7.5	47.7	20%	9.5	45.7
9	-	1.5	1.5	0.5	0.8	25%	0.2	1.3
10	61.4	25.8	87.2	12.9	74.3	30%	22.3	64.9
12	12.8	7.2	20.0	3.7	16.3	100%	16.3	3.7
13	1.8	(0.2)	1.6	-	1.6	10 yrs	0.1	1.5
17	2.2	0.7	2.9	0.3	2.6	8%	0.2	2.7
42	0.3	0.1	0.4	0.1	0.4	12%	0.0	0.3
45	10.5	2.8	13.3	1.4	11.9	45%	5.3	8.0
47	381.5	278.9	660.4	147.7	512.7	8%	41.0	619.4
50	-	7.6	7.6	3.8	3.8	55%	2.0	5.6
Dx CCA	3,073.6	342.9	3,416.5	178.5	3,237.9		209.0	3,207.5
Dx CEC Continuity	42.6	-	42.6	-	42.6	7%	3.0	39.6

Less goodwill portion (2.2)
Total ECE for RR 0.8

HYDRO ONE NETWORKS INC.
DISTRIBUTION

Calculation of Capital Cost allowance (CCA)
Historic and Bridge Years
2008 - 2009 Networks Allocation to Distribution
Year Ending December 31
(\$ Millions)

2008	Opening CCA Class UCC	Net Additions	UCC pre- 1/2 yr	50% net additions	UCC for CCA	CCA Rate	CCA	Closing UCC	
	1	2,034.8	0.16	2,035.0	0.1	2,035.2	4%	81.3	1,953.6
	2	396.4	-	396.4	-	396.4	6%	23.8	372.6
	3	14.9	-	14.9	-	14.9	5%	0.7	14.1
	6	8.3	0.81	9.1	0.4	8.7	10%	0.9	8.3
	8	45.7	15.45	61.2	7.7	53.4	20%	10.6	50.6
	9	1.3	3.54	4.8	1.8	3.1	25%	0.8	4.1
	10	64.9	30.44	95.4	15.2	80.1	30%	24.0	71.3
	12	3.7	60.37	64.1	30.2	33.9	100%	33.9	30.2
	13	1.5	-	1.5	-	1.5	10 yrs	0.2	1.3
	17	2.7	0.11	2.8	0.1	2.8	8%	0.2	2.6
	42	0.3	-	0.3	-	0.3	12%	0.0	0.3
	45	8.0	-	8.0	-	8.0	45%	3.6	4.4
	47	619.4	326.74	946.1	163.4	782.8	8%	62.6	883.5
	50	5.6	10.33	15.9	5.2	10.8	55%	5.9	9.9
Dx CCA	3,207.5	447.9	3,655.5	223.9	3,431.8			248.6	3,406.8

Dx CEC Continuity	39.6		39.6		39.62	7%	2.8	36.8
					Less goodwill portion		(2.1)	
					Total ECE for RR		0.7	

2009	Opening CCA Class UCC	Net Additions	UCC pre- 1/2 yr	50% net additions	UCC for CCA	CCA Rate	CCA	Closing UCC	
	1	1,953.64	-	1,953.6	-	1,953.6	4%	78.2	1,875.4
	2	372.60	0.10	372.7	0.0	372.7	6%	22.4	350.3
	3	14.15	1.95	16.1	1.0	15.1	5%	0.8	15.3
	6	8.25	1.15	9.4	0.6	8.8	10%	0.9	8.5
	8	50.57	11.93	62.5	6.0	56.5	20%	11.3	51.2
	9	4.07	(1.37)	2.7	(0.7)	3.4	25%	0.8	1.9
	10	71.32	28.28	99.6	14.1	85.5	30%	25.6	74.0
	12	30.18	92.62	122.8	92.6	122.8	100%	122.8	-
	13	1.33	0.17	1.5	0.2	1.5	10 yrs	0.3	1.2
	17	2.60	0.40	3.0	0.2	2.8	8%	0.2	2.8
	42	0.27	0.03	0.3	0.0	0.3	12%	0.0	0.3
	45	4.40	(0.00)	4.4	(0.0)	4.4	45%	1.9	2.5
	47	883.52	390.38	1,273.9	195.2	1,078.7	8%	86.3	1,187.6
	50	9.91	6.99	16.9	7.0	16.9	55%	12.4	4.5
Dx CCA	3,406.8	532.6	3,939.4	316.2	3,723.0			364.0	3,575.4

Dx CEC Continuity	36.8		36.84		36.84	7%	2.6	34.27
					Less goodwill portion		(1.9)	
					Total ECE for RR		0.6	