

**HYDRO ONE NETWORKS INC.  
 DISTRIBUTION**

Continuity Accumulated Depreciation  
 Year Ending December 31  
 Historical (2006, 2007, 2008), Bridge (2009) & Test (2010, 2011) Years  
 Total - Gross Balances  
 (\$ Millions)

**Fixed Assets**

<b>Line No.</b>	<b>Year</b>	<b>Opening Balance</b>	<b>Additions</b>	<b>Retirements</b>	<b>Sales</b>	<b>Transfers In/Out</b>	<b>Other</b>	<b>Closing Balance</b>	<b>Average</b>
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
<u>Historic</u>									
1	2006	2175.9	159.2	(10.3)	(9.8)	13.8	0.0	2328.8	2252.4
2	2007	2328.8	165.1	(184.9)	(6.4)	2.6	0.0	2305.2	2317.0
3	2008	2305.2	185.7	(35.3)	(6.5)	0.3	0.0	2449.4	2377.3
<u>Bridge</u>									
4	2009	2446.2 <sup>(1)</sup>	197.8	(45.4)	(1.1) <sup>(3)</sup>	1.4	0.0	2598.9	2522.6
<u>Test</u>									
5	2010	2608.5 <sup>(2)</sup>	228.8	(31.8)	0.0	0.1	0.0	2,805.6	2707.0
6	2011	2,805.6	255.5	(31.1)	0.0	0.0	0.0	3,030.0	2,917.8

Notes:

- 1 2007 installed Smart Meters' accumulated depreciation of \$3.2M in 2008 is excluded for the purpose of calculating 2009 rate base as per EB-2007-681.
- 2 The corresponding Smart Meter accumulated depreciation excluded in note 1 and 2008 Smart Meters' accumulated depreciation is added to the 2010 accumulated depreciation for the calculation of 2010 rate base.
- 3 Sale to Ottawa Hydro of Fallowfield DS and Richmond DS assets accumulated depreciation