

HYDRO ONE NETWORKS INC.
DISTRIBUTION
Statement of Working Capital
Annual Average
Forecast Years (2010 and 2011)
(\$ Millions)

Line No.	Particulars	2010 (a)	2011 (b)
1	Cash Working Capital	\$ 300.7	\$ 305.4
2	Materials and Supplies ^(Note 1)	10.4	10.5
3	Smart meter adjustment ^(Note 2)	<u>(2.3)</u>	<u>(2.3)</u>
4	Total	<u>\$ 308.8</u>	<u>\$ 313.6</u>

Note 1: Major spare parts and standby equipment of \$19.3 for 2010 and \$19.3 for 2011 has been reclassified from inventory to fixed assets per Section 2031, Inventories of the CICA Handbook.

Note 2: This is used to exclude from Revenue Requirement the depreciation associated with Smart Meter spend that is currently tracked in a deferral account.