

HYDRO ONE NETWORKS INC.
DISTRIBUTION
Calculation of Revenue Requirement
Year Ending December 31
(\$ Millions)

Line No.	Particulars	2010 (a)	2011 (b)
	Cost of Service		
1	Operating, maintenance & administrative	\$ 560.0	\$ 575.2
2	Depreciation & amortization	259.2	291.3
3	Capital taxes	3.7	0.0
4	Income taxes	12.7	39.5
5	Cost of service excluding return (Note 1)	<u>\$ 835.6</u>	<u>\$ 906.0</u>
6	Return on capital	314.0	357.4
8	Total revenue requirement	<u>\$ 1,149.6</u>	<u>\$ 1,263.5</u>

Note 1: Per Exhibit C2-1-1