

HYDRO ONE NETWORKS INC.  
TRANSMISSION  
Calculation of Capital Cost allowance (CCA)  
2013 & 2014 Networks Allocation to Tx  
Year Ending December 31  
(\$ Millions)

2013 CCA Class	Opening UCC	Net Additions	UCC pre- 1/2 yr	50% net additions	UCC for CCA	CCA Rate	CCA	Closing UCC
1	2,296.0	0.0	2,296.0	-	2,296.0	4%	91.8	2,204.1
2	644.9	0.0	644.9	-	644.9	6%	38.7	606.2
3	221.2	1.6	222.8	0.79	222.0	5%	11.1	211.7
6	77.5	11.8	89.3	5.92	83.4	10%	8.3	81.0
7	0.0	0.0	0.0	-	0.0	15%	0.0	0.0
8	35.6	8.5	44.1	4.27	39.9	20%	8.0	36.2
9	1.6	0.2	1.8	0.11	1.7	25%	0.4	1.4
10	68.6	38.2	106.7	19.08	87.7	30%	26.3	80.4
12	9.0	18.9	27.9	9.45	18.5	100%	18.5	9.5
13	2.8	1.6	4.4	0.79	3.6	20%	0.7	3.7
17	39.9	5.4	45.3	2.71	42.6	8%	3.4	41.9
35	0.4	0.1	0.4	0.03	0.4	7%	0.0	0.4
42	80.3	3.9	84.3	1.97	82.3	12%	9.9	74.4
45	0.6	0.0	0.6	-	0.6	45%	0.3	0.3
46	2.9	0.4	3.3	0.20	3.1	30%	0.9	2.4
47	2,808.3	693.4	3,501.7	346.68	3,155.0	8%	252.4	3,249.3
50	25.4	5.5	30.8	2.73	28.1	55%	15.5	15.4
	<u>6,315.0</u>	<u>789.5</u>	<u>7,104.5</u>	<u>394.73</u>	<u>6,709.7</u>		<u>486.2</u>	<u>6,618.2</u>

Tx CEC Continuity	<u>53.2</u>	<u>0.0</u>	<u>53.2</u>	<u>0.0</u>	<u>53.2</u>	<u>7%</u>	<u>3.7</u>	<u>49.4</u>
					Total CCA		490.0	
					Five Nations		(0.3)	
					Total CCA for RR		<u>489.7</u>	

2014 CCA Class	Opening UCC	Net Additions	UCC pre- 1/2 yr	50% net additions	UCC for CCA	CCA Rate	CCA	Closing UCC
1	2,204.1	0.0	2,204.1	-	2,204.1	4%	88.2	2,116.0
2	606.2	0.0	606.2	-	606.2	6%	36.4	569.9
3	211.7	1.8	213.5	0.9	212.6	5%	10.6	202.9
6	81.0	13.5	94.5	6.8	87.7	10%	8.8	85.7
7	0.0	0.0	0.0	-	0.0	15%	0.0	0.0
8	36.2	8.8	44.9	4.4	40.5	20%	8.1	36.8
9	1.4	0.2	1.6	0.1	1.5	25%	0.4	1.2
10	80.4	45.1	125.6	22.6	103.0	30%	30.9	94.7
12	9.5	21.6	31.1	10.8	20.3	100%	20.3	10.8
13	3.7	1.8	5.5	0.9	4.6	20%	0.9	4.6
17	41.9	6.1	48.0	3.0	44.9	8%	3.6	44.4
35	0.4	0.1	0.5	0.0	0.4	7%	0.0	0.4
42	74.4	4.5	78.9	2.3	76.7	12%	9.2	69.7
45	0.3	0.0	0.3	-	0.3	45%	0.2	0.2
46	2.4	0.3	2.7	0.2	2.6	30%	0.8	2.0
47	3,249.3	792.2	4,041.5	396.1	3,645.4	8%	291.6	3,749.9
50	15.4	6.1	21.5	3.1	18.4	55%	10.1	11.4
	<u>6,618.2</u>	<u>902.3</u>	<u>7,520.5</u>	<u>451.1</u>	<u>7,069.4</u>		<u>520.0</u>	<u>7,000.5</u>

Tx CEC Continuity	<u>49.4</u>	<u>0.0</u>	<u>49.4</u>	<u>0.0</u>	<u>49.4</u>	<u>0.1</u>	<u>3.5</u>	<u>46.0</u>
					Total CCA		523.5	
					Five Nations		(0.3)	
					Total CCA for RR		<u>523.2</u>	