

**HYDRO ONE NETWORKS INC.
TRANSMISSION**

Calculation of Capital Cost allowance (CCA)
Historic Year

2011 Networks Tax Return CCA Allocation to TX and DX
Year Ending December 31
(\$ Millions)

2011 Transmission Schedule 8 :

CCA Class	Opening UCC	Net Additions	UCC pre-1/2 yr	50% net additions	UCC for CCA	CCA Rate (%)	CCA	Closing UCC
1	2,489.7	1.6	2,491.3		2,491.3	4%	99.7	2,391.60
2	729.9		729.9		729.9	6%	43.8	686.10
3	235.6	6.8	242.4	3.7	238.7	5%	11.9	230.40
6	52.4	21.3	73.7	10.6	63.1	10%	6.3	67.40
8	36.2	8.5	44.7	4.3	40.4	20%	8.1	36.60
9	2.3	-0.1	2.2		2.2	25%	0.5	1.60
10	61.9	10.6	72.5	5.0	67.5	30%	20.3	52.30
12	7.6	20.3	27.9	9.8	18.1	100%	18.1	9.80
13	0.2	0.9	1.1	0.4	0.6	N/A	0.1	0.90
17	25.7	11.2	36.9	5.6	31.3	8%	2.5	34.40
35	0.3	-	0.3		0.3	7%	-	0.30
42	92.9	3.4	96.3	1.7	94.6	12%	11.4	85.00
45	2.1	-	2.1		2.1	45%	0.9	1.10
46	4.6	-	4.6		4.6	30%	1.4	3.20
47	1,523.6	549.6	2,073.2	270.6	1,802.9	8%	144.2	1,929.20
50	5.3	62.4	67.7	31.2	36.5	55%	20.1	47.60
52	-	0.3	0.3		0.3	100%	0.3	-
TX UCC	5,270.2	696.8	5,967.1	342.9	5,624.4		389.6	5,577.5
TX CEC Continuity	61.2	0.3	61.5		61.5	7%	4.3	57.2

2011 Distribution Schedule 8 :

CCA Class	Opening UCC	Additions	UCC pre-1/2 yr	50% net additions	UCC for CCA	CCA Rate	CCA	Closing UCC
1	1,812.5	11.9	1,824.4	7.3	1,817.1	4%	72.7	1,751.7
2	329.3	-	329.3	0.0	329.3	6%	19.8	309.5
3	13.1	0.6	13.7	0.0	13.7	5%	0.7	13.0
6	11.6	1.2	12.8	0.6	12.2	10%	1.2	11.6
8	62.9	20.5	83.4	10.3	73.1	20%	14.6	68.8
9	3.2	-0.3	2.9	-	2.9	25%	0.7	2.2
10	95.9	32.5	128.4	16.6	111.8	30%	33.5	94.9
12	10.3	20.0	30.3	11.8	18.5	100%	18.5	11.8
13	1.0	3.3	4.3	1.7	2.6	NA	0.6	3.7
17	3.1	3.6	6.7	1.8	4.9	8%	0.4	6.3
42	0.2	-	0.2	0.0	0.2	12%	0.0	0.2
45	1.3	-	1.3	-	1.3	45%	0.6	0.7
46	0.2	-	0.2	-	0.2	30%	0.1	0.1
47	1,422.7	327.1	1,749.8	167.9	1,581.9	8%	126.6	1,623.2
50	2.0	40.7	42.7	20.4	22.3	55%	12.3	30.4
52	-	0.2	0.2	-	0.2	100%	0.2	-
Dx CCA	3,769.3	461.3	4,230.6	238.5	3,992.2		302.5	3,928.1
Dx CEC Continuity	31.8		31.8		31.8	7%	2.2	29.6
Networks UCC	9,039.5	1,158.1	10,197.7	581.4	9,616.6		692.1	9,505.6
Networks CEC	93.0	0.3	93.3		93.3		6.5	86.8