

HYDRO ONE NETWORKS INC.
TRANSMISSION
Debt and Equity Summary
Historical Years (2007, 2008 & 2009) and Bridge Year (2010)
As at December 31
(\$ Millions)

Line No.	Particulars	2007	Historical	2009	Bridge
		Amount Outstanding	2008 Amount Outstanding	Amount Outstanding	2010 Amount Outstanding
		Actual	Actual	Actual	Projection
		(a)	(b)	(c)	(d)
1	Long-term debt *	3,360.0	3,524.0	4,031.5	4,136.9
2	Short-term debt	106.0	222.2	220.7	487.7
3	Preference shares	239.0	239.0	239.0	239.0
4	Common equity	2,629.0	2,872.9	3,033.0	3,403.7

* Includes debt payable within one year; excludes variable rate debt, unamortized debt premiums/discount, hedging gains/losses and marks to market.

**HYDRO ONE NETWORKS INC.
 TRANSMISSION**

Summary of Cost of Capital
 Test Years (2011 & 2012)
 Utility Capital Structure
 Year Ending December 31

Line No.	Particulars	2011				2012			
		(\$M)	%	Cost Rate (%)	Return (\$M)	(\$M)	%	Cost Rate (%)	Return (\$M)
		(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)
1	Long-term debt	4,599.3	54.9%	5.67%	260.6	5,175.1	56.7%	5.64%	291.7
2	Notional long-term debt	92.7	1.1%	5.67%	5.3	(59.8)	(0.7%)	5.64%	(3.4)
3	Total long-term debt	<u>4,692.0</u>	<u>56.0%</u>	<u>5.67%</u>	<u>265.8</u>	<u>5,115.4</u>	<u>56.0%</u>	<u>5.64%</u>	<u>288.4</u>
4	Deemed short-term debt	335.1	4.0%	3.99%	13.4	365.4	4.0%	5.00%	18.3
5	Total debt	<u>5,027.1</u>	<u>60.0%</u>	<u>5.55%</u>	<u>279.2</u>	<u>5,480.8</u>	<u>60.0%</u>	<u>5.59%</u>	<u>306.6</u>
6	Common equity	3,351.4	40.0%	10.16%	340.5	3,653.8	40.0%	10.41%	380.4
7	Total rate base	<u>8,378.5</u>	<u>100.0%</u>	<u>7.40%</u>	<u>619.7</u>	<u>9,134.6</u>	<u>100.0%</u>	<u>7.52%</u>	<u>687.0</u>

HYDRO ONE NETWORKS INC.
TRANSMISSION
Cost of Long-Term Debt Capital
Historical Year (2007)
Year ending December 31

Line No.	Offering Date	Coupon Rate	Maturity Date	Principal Amount Offered (\$Millions)	Premium Discount and Expenses (\$Millions)	Net Capital Employed		Effective Cost Rate	Total Amount Outstanding		Avg. Monthly Averages (\$Millions)	Carrying Cost (\$Millions)	Projected Average Embedded Cost Rates	
						Total Amount (\$Millions)	Per \$100 Principal (Dollars)		at 12/31/06 (\$Millions)	at 12/31/07 (\$Millions)				
(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)		
1	1-Apr-99	9.130%	1-May-07	27.5	0.0	27.5	100.00	9.13%	27.5	0.0	10.6	1.0		
2	1-Apr-99	9.130%	4-May-07	34.8	0.0	34.8	100.00	9.13%	34.8	0.0	13.4	1.2		
3	1-Apr-99	9.130%	5-May-07	34.8	0.0	34.8	100.00	9.13%	34.8	0.0	13.4	1.2		
4	1-Apr-99	9.130%	6-May-07	34.8	0.0	34.8	100.00	9.13%	34.8	0.0	13.4	1.2		
5	1-Apr-99	9.130%	7-May-07	34.8	0.0	34.8	100.00	9.13%	34.8	0.0	13.4	1.2		
6	1-Apr-99	9.720%	10-Aug-07	42.1	0.0	42.1	100.00	9.72%	42.1	0.0	25.9	2.5		
7	9-May-05	4.830%	15-Jun-07	112.0	0.0	112.0	100.00	4.83%	112.0	0.0	51.7	2.5		
8	9-May-05	4.830%	15-Jun-07	98.0	0.0	98.0	100.00	4.83%	98.0	0.0	45.2	2.2		
9	14-Dec-05	4.560%	15-Jun-07	104.0	0.0	104.0	100.00	4.56%	104.0	0.0	48.0	2.2		
10	3-Jun-00	7.150%	3-Jun-10	278.4	3.6	274.8	98.70	7.34%	278.4	278.4	278.4	20.4		
11	3-Jun-00	7.350%	3-Jun-30	278.4	4.5	273.9	98.37	7.49%	278.4	278.4	278.4	20.8		
12	22-Jun-01	6.400%	1-Dec-11	174.0	(0.5)	174.5	100.28	6.36%	174.0	174.0	174.0	11.1		
13	22-Jun-01	6.930%	1-Jun-32	109.3	1.0	108.2	99.05	7.01%	109.3	109.3	109.3	7.7		
14	17-Sep-02	5.770%	15-Nov-12	87.0	0.4	86.6	99.55	5.83%	87.0	87.0	87.0	5.1		
15	17-Sep-02	6.930%	1-Jun-32	58.0	(2.2)	60.2	103.71	6.64%	58.0	58.0	58.0	3.9		
16	31-Jan-03	5.770%	15-Nov-12	189.0	(0.9)	189.9	100.48	5.70%	189.0	189.0	189.0	10.8		
17	31-Jan-03	6.350%	31-Jan-34	126.0	1.0	125.0	99.21	6.41%	126.0	126.0	126.0	8.1		
18	22-Apr-03	6.590%	22-Apr-43	145.0	1.1	143.9	99.26	6.64%	145.0	145.0	145.0	9.6		
19	23-Jun-03	4.000%	23-Jun-08	290.0	8.5	281.5	97.08	4.66%	290.0	290.0	290.0	13.5		
20	24-Feb-04	3.950%	24-Feb-09	162.5	0.7	161.8	99.55	4.05%	162.5	162.5	162.5	6.6		
21	25-Jun-04	6.350%	31-Jan-34	72.0	(0.2)	72.2	100.22	6.33%	72.0	72.0	72.0	4.6		
22	20-Aug-04	6.590%	22-Apr-43	39.0	(3.1)	42.1	107.89	6.06%	39.0	39.0	39.0	2.4		
23	24-Aug-04	6.350%	31-Jan-34	39.0	(1.4)	40.4	103.48	6.09%	39.0	39.0	39.0	2.4		
24	15-Nov-04	3.889%	15-May-08	26.0	0.2	25.8	99.08	4.18%	26.0	26.0	26.0	1.1		
25	19-May-05	5.360%	20-May-36	228.9	8.2	220.7	96.44	5.60%	228.9	228.9	228.9	12.8		
26	19-May-05	3.950%	24-Feb-09	105.0	(0.9)	105.9	100.90	3.69%	105.0	105.0	105.0	3.9		
27	3-Mar-06	4.640%	3-Mar-16	210.0	1.0	209.0	99.52	4.70%	210.0	210.0	210.0	9.9		
28	24-Apr-06	5.360%	20-May-36	187.5	2.5	185.0	98.68	5.45%	187.5	187.5	187.5	10.2		
29	22-Aug-06	4.640%	3-Mar-16	60.0	0.8	59.2	98.75	4.80%	60.0	60.0	60.0	2.9		
30	19-Oct-06	5.000%	19-Oct-46	30.0	0.2	29.8	99.29	5.04%	30.0	30.0	30.0	1.5		
31	13-Mar-07	4.890%	13-Mar-37	240.0	1.3	238.7	99.45	4.93%	0.0	240.0	192.7	9.5		
33	18-Oct-07	5.180%	18-Oct-17	225.0	0.8	224.2	99.66	5.22%	0.0	225.0	45.6	2.4		
34	Subtotal									3417.8	3360.0	3368.2	196.2	
35	Treasury OM&A costs												1.4	
36	Other financing-related fees												1.3	
37	Total									<u>3417.8</u>	<u>3360.0</u>	<u>3368.2</u>	<u>198.9</u>	<u>5.90%</u>

HYDRO ONE NETWORKS INC.
TRANSMISSION
Cost of Long-Term Debt Capital
Historical Year (2008)
Year ending December 31

Line No.	Offering Date	Coupon Rate	Maturity Date	Principal Amount Offered (\$Millions)	Premium Discount and Expenses (\$Millions)	Net Capital Employed		Effective Cost Rate	Total Amount Outstanding		Avg. Monthly Averages (\$Millions)	Carrying Cost (\$Millions)	Projected Average Embedded Cost Rates
						Total Amount (\$Millions)	Per \$100 Principal Amount (Dollars)		at 12/31/07 (\$Millions)	at 12/31/08 (\$Millions)			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	3-Jun-00	7.150%	3-Jun-10	278.4	3.6	274.8	98.70	7.34%	278.4	278.4	278.4	20.4	
2	3-Jun-00	7.350%	3-Jun-30	278.4	4.5	273.9	98.37	7.49%	278.4	278.4	278.4	20.8	
3	22-Jun-01	6.400%	1-Dec-11	174.0	(0.5)	174.5	100.28	6.36%	174.0	174.0	174.0	11.1	
4	22-Jun-01	6.930%	1-Jun-32	109.3	1.0	108.2	99.05	7.01%	109.3	109.3	109.3	7.7	
5	17-Sep-02	5.770%	15-Nov-12	87.0	0.4	86.6	99.55	5.83%	87.0	87.0	87.0	5.1	
6	17-Sep-02	6.930%	1-Jun-32	58.0	(2.2)	60.2	103.71	6.64%	58.0	58.0	58.0	3.9	
7	31-Jan-03	5.770%	15-Nov-12	189.0	(0.9)	189.9	100.48	5.70%	189.0	189.0	189.0	10.8	
8	31-Jan-03	6.350%	31-Jan-34	126.0	1.0	125.0	99.21	6.41%	126.0	126.0	126.0	8.1	
9	22-Apr-03	6.590%	22-Apr-43	145.0	1.1	143.9	99.26	6.64%	145.0	145.0	145.0	9.6	
10	23-Jun-03	4.000%	23-Jun-08	290.0	8.5	281.5	97.08	4.66%	290.0	0.0	133.8	6.2	
11	24-Feb-04	3.950%	24-Feb-09	162.5	0.7	161.8	99.55	4.05%	162.5	162.5	162.5	6.6	
12	25-Jun-04	6.350%	31-Jan-34	72.0	(0.2)	72.2	100.22	6.33%	72.0	72.0	72.0	4.6	
13	20-Aug-04	6.590%	22-Apr-43	39.0	(3.1)	42.1	107.89	6.06%	39.0	39.0	39.0	2.4	
14	24-Aug-04	6.350%	31-Jan-34	39.0	(1.4)	40.4	103.48	6.09%	39.0	39.0	39.0	2.4	
15	19-May-05	5.360%	20-May-36	228.9	8.2	220.7	96.44	5.60%	228.9	228.9	228.9	12.8	
16	19-May-05	3.950%	24-Feb-09	105.0	(0.9)	105.9	100.90	3.69%	105.0	105.0	105.0	3.9	
17	3-Mar-06	4.640%	3-Mar-16	210.0	1.0	209.0	99.52	4.70%	210.0	210.0	210.0	9.9	
18	24-Apr-06	5.360%	20-May-36	187.5	2.5	185.0	98.68	5.45%	187.5	187.5	187.5	10.2	
19	22-Aug-06	4.640%	3-Mar-16	60.0	0.8	59.2	98.75	4.80%	60.0	60.0	60.0	2.9	
20	19-Oct-06	5.000%	19-Oct-46	30.0	0.2	29.8	99.29	5.04%	30.0	30.0	30.0	1.5	
21	13-Mar-07	4.890%	13-Mar-37	240.0	1.3	238.7	99.45	4.93%	240.0	240.0	240.0	11.8	
22	15-Nov-04	3.840%	15-May-08	26.0	0.0	26.0	100.00	3.84%	26.0	0.0	10.0	0.4	
23	18-Oct-07	5.180%	18-Oct-17	225.0	0.8	224.2	99.66	5.22%	225.0	225.0	225.0	11.8	
24	3-Mar-08	5.180%	18-Oct-17	180.0	(3.1)	183.1	101.73	4.95%	0.0	180.0	138.5	6.9	
25	10-Nov-08	5.000%	12-Nov-13	240.0	1.1	238.9	99.53	5.11%	0.0	240.0	36.9	1.9	
26	19-Nov-08	3.890%	19-Nov-10	60.0	0.1	59.9	99.78	4.01%	0.0	60.0	9.2	0.4	
27		Subtotal							3360.0	3524.0	3372.4	193.8	
28		Treasury OM&A costs										1.5	
29		Other financing-related fees										1.2	
30		Total							3360.0	3524.0	3372.4	196.4	5.8239%

HYDRO ONE NETWORKS INC.
TRANSMISSION
Cost of Long-Term Debt Capital
Historical Year (2009)
Year ending December 31

Line No.	Offering Date	Coupon Rate	Maturity Date	Principal Amount Offered (\$Millions)	Premium Discount and Expenses (\$Millions)	Net Capital Employed		Effective Cost Rate	Total Amount Outstanding		Avg. Monthly Averages (\$Millions)	Carrying Cost (\$Millions)	Projected Average Embedded Cost Rates
						Total Amount (\$Millions)	Per \$100 Principal Amount (Dollars)		at 12/31/08 (\$Millions)	at 12/31/09 (\$Millions)			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	3-Jun-00	7.150%	3-Jun-10	278.4	3.6	274.8	98.70	7.34%	278.4	278.4	278.4	20.4	
2	3-Jun-00	7.350%	3-Jun-30	278.4	4.5	273.9	98.37	7.49%	278.4	278.4	278.4	20.8	
3	22-Jun-01	6.400%	1-Dec-11	174.0	(0.5)	174.5	100.28	6.36%	174.0	174.0	174.0	11.1	
4	22-Jun-01	6.930%	1-Jun-32	109.3	1.0	108.2	99.05	7.01%	109.3	109.3	109.3	7.7	
5	17-Sep-02	5.770%	15-Nov-12	87.0	0.4	86.6	99.55	5.83%	87.0	87.0	87.0	5.1	
6	17-Sep-02	6.930%	1-Jun-32	58.0	(2.2)	60.2	103.71	6.64%	58.0	58.0	58.0	3.9	
7	31-Jan-03	5.770%	15-Nov-12	189.0	(0.9)	189.9	100.48	5.70%	189.0	189.0	189.0	10.8	
8	31-Jan-03	6.350%	31-Jan-34	126.0	1.0	125.0	99.21	6.41%	126.0	126.0	126.0	8.1	
9	22-Apr-03	6.590%	22-Apr-43	145.0	1.1	143.9	99.26	6.64%	145.0	145.0	145.0	9.6	
10	24-Feb-04	3.950%	24-Feb-09	162.5	0.7	161.8	99.55	4.05%	162.5	0.0	25.0	1.0	
11	25-Jun-04	6.350%	31-Jan-34	72.0	(0.2)	72.2	100.22	6.33%	72.0	72.0	72.0	4.6	
12	20-Aug-04	6.590%	22-Apr-43	39.0	(3.1)	42.1	107.89	6.06%	39.0	39.0	39.0	2.4	
13	24-Aug-04	6.350%	31-Jan-34	39.0	(1.4)	40.4	103.48	6.09%	39.0	39.0	39.0	2.4	
14	19-May-05	5.360%	20-May-36	228.9	8.2	220.7	96.44	5.60%	228.9	228.9	228.9	12.8	
15	19-May-05	3.950%	24-Feb-09	105.0	(0.9)	105.9	100.90	3.69%	105.0	0.0	16.2	0.6	
16	3-Mar-06	4.640%	3-Mar-16	210.0	1.0	209.0	99.52	4.70%	210.0	210.0	210.0	9.9	
17	24-Apr-06	5.360%	20-May-36	187.5	2.5	185.0	98.68	5.45%	187.5	187.5	187.5	10.2	
18	22-Aug-06	4.640%	3-Mar-16	60.0	0.8	59.2	98.75	4.80%	60.0	60.0	60.0	2.9	
19	19-Oct-06	5.000%	19-Oct-46	30.0	0.2	29.8	99.29	5.04%	30.0	30.0	30.0	1.5	
20	13-Mar-07	4.890%	13-Mar-37	240.0	1.3	238.7	99.45	4.93%	240.0	240.0	240.0	11.8	
21	18-Oct-07	5.180%	18-Oct-17	225.0	0.8	224.2	99.66	5.22%	225.0	225.0	225.0	11.8	
22	3-Mar-08	5.180%	18-Oct-17	180.0	(3.1)	183.1	101.73	4.95%	180.0	180.0	138.5	6.9	
23	10-Nov-08	5.000%	12-Nov-13	240.0	1.1	238.9	99.53	5.11%	240.0	240.0	240.0	12.3	
24	19-Nov-08	3.890%	19-Nov-10	60.0	0.1	59.9	99.78	4.01%	60.0	60.0	60.0	2.4	
25	13-Jan-09	3.890%	19-Nov-10	65.0	(0.4)	65.4	100.67	3.51%	0.0	65.0	60.0	2.1	
26	14-Jan-09	5.000%	12-Nov-13	130.0	(3.7)	133.7	102.87	4.33%	0.0	130.0	120.0	5.2	
27	3-Mar-09	6.030%	3-Mar-39	195.0	1.2	193.8	99.43	6.07%	0.0	195.0	150.0	9.1	
28	16-Jul-09	5.490%	16-Jul-40	210.0	1.3	208.7	99.37	5.53%	0.0	210.0	96.9	5.4	
29	19-Nov-09	3.130%	19-Nov-14	175.0	0.6	174.4	99.64	3.21%	0.0	175.0	26.9	0.9	
30		Subtotal							<u>3524.0</u>	<u>4031.5</u>	<u>3709.9</u>	<u>213.4</u>	
31		Treasury OM&A costs										1.2	
32		Other financing-related fees										1.2	
33		Total							<u>3524.0</u>	<u>4031.5</u>	<u>3709.9</u>	<u>215.7</u>	<u>5.8148%</u>

HYDRO ONE NETWORKS INC.
TRANSMISSION
Cost of Long-Term Debt Capital
Bridge Year (2010)
Year ending December 31

Line No.	Offering Date (a)	Coupon Rate (b)	Maturity Date (c)	Principal Amount Offered (\$Millions) (d)	Premium Discount and Expenses (\$Millions) (e)	Net Capital Employed		Effective Cost Rate (h)	Total Amount Outstanding		Avg. Monthly Averages (\$Millions) (k)	Carrying Cost (\$Millions) (l)	Projected Average Embedded Cost Rates (m)	
						Total Amount (\$Millions) (f)	Per \$100 Principal Amount (Dollars) (g)		at 12/31/09 (\$Millions) (i)	at 12/31/10 (\$Millions) (j)				
1	3-Jun-00	7.150%	3-Jun-10	278.4	3.6	274.8	98.70	7.34%	278.4	0.0	128.5	9.4		
2	3-Jun-00	7.350%	3-Jun-30	278.4	4.5	273.9	98.37	7.49%	278.4	278.4	278.4	20.8		
3	22-Jun-01	6.400%	1-Dec-11	174.0	(0.5)	174.5	100.28	6.36%	174.0	174.0	174.0	11.1		
4	22-Jun-01	6.930%	1-Jun-32	109.3	1.0	108.2	99.05	7.01%	109.3	109.3	109.3	7.7		
5	17-Sep-02	5.770%	15-Nov-12	87.0	0.4	86.6	99.55	5.83%	87.0	87.0	87.0	5.1		
6	17-Sep-02	6.930%	1-Jun-32	58.0	(2.2)	60.2	103.71	6.64%	58.0	58.0	58.0	3.9		
7	31-Jan-03	5.770%	15-Nov-12	189.0	(0.9)	189.9	100.48	5.70%	189.0	189.0	189.0	10.8		
8	31-Jan-03	6.350%	31-Jan-34	126.0	1.0	125.0	99.21	6.41%	126.0	126.0	126.0	8.1		
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10	25-Jun-04	6.350%	31-Jan-34	72.0	(0.2)	72.2	100.22	6.33%	72.0	72.0	72.0	4.6		
11	20-Aug-04	6.590%	22-Apr-43	39.0	(3.1)	42.1	107.89	6.06%	39.0	39.0	39.0	2.4		
12	24-Aug-04	6.350%	31-Jan-34	39.0	(1.4)	40.4	103.48	6.09%	39.0	39.0	39.0	2.4		
13	19-May-05	5.360%	20-May-36	228.9	8.2	220.7	96.44	5.60%	228.9	228.9	228.9	12.8		
14	3-Mar-06	4.640%	3-Mar-16	210.0	1.0	209.0	99.52	4.70%	210.0	210.0	210.0	9.9		
15	24-Apr-06	5.360%	20-May-36	187.5	2.5	185.0	98.68	5.45%	187.5	187.5	187.5	10.2		
16	22-Aug-06	4.640%	3-Mar-16	60.0	0.8	59.2	98.75	4.80%	60.0	60.0	60.0	2.9		
17	19-Oct-06	5.000%	19-Oct-46	30.0	0.2	29.8	99.29	5.04%	30.0	30.0	30.0	1.5		
18	13-Mar-07	4.890%	13-Mar-37	240.0	1.3	238.7	99.45	4.93%	240.0	240.0	240.0	11.8		
19	18-Oct-07	5.180%	18-Oct-17	225.0	0.8	224.2	99.63	5.23%	225.0	225.0	225.0	11.8		
20	3-Mar-08	5.180%	18-Oct-17	180.0	(3.1)	183.1	101.73	4.95%	180.0	180.0	180.0	8.9		
21	10-Nov-08	5.000%	12-Nov-13	240.0	1.1	238.9	99.53	5.11%	240.0	240.0	240.0	12.3		
22	19-Nov-08	3.890%	19-Nov-10	60.0	0.1	59.9	99.78	4.01%	60.0	0.0	50.8	2.0		
23	13-Jan-09	3.890%	19-Nov-10	65.0	(0.4)	65.4	100.67	3.51%	65.0	0.0	55.0	1.9		
24	14-Jan-09	5.000%	12-Nov-13	130.0	(3.7)	133.7	102.87	4.33%	130.0	130.0	130.0	5.6		
25	3-Mar-09	6.030%	3-Mar-39	195.0	1.1	193.9	99.43	6.07%	195.0	195.0	195.0	11.8		
26	16-Jul-09	5.490%	16-Jul-40	210.0	1.3	208.7	99.37	5.53%	210.0	210.0	210.0	11.6		
27	19-Nov-09	3.130%	19-Nov-14	175.0	0.6	174.4	99.64	3.21%	175.0	175.0	175.0	5.6		
28	15-Mar-10	5.490%	16-Jul-40	120.0	(0.7)	120.7	100.59	5.45%	0.0	120.0	92.3	5.0		
29	15-Mar-10	4.400%	1-Jun-20	180.0	0.8	179.2	99.56	4.45%	0.0	180.0	138.5	6.2		
30	15-Jun-10	4.680%	15-Jun-20	100.0	0.5	99.5	99.50	4.74%	0.0	100.0	53.8	2.6		
31	15-Sep-10	3.560%	15-Sep-15	100.0	0.5	99.5	99.50	3.67%	0.0	100.0	30.8	1.1		
32	Subtotal									4031.5	4128.0	4177.7	231.3	
33	Treasury OM&A costs												2.0	
34	Other financing-related fees												5.0	
35	Total									<u>4031.5</u>	<u>4128.0</u>	<u>4177.7</u>	<u>238.3</u>	<u>5.70%</u>

HYDRO ONE NETWORKS INC.
TRANSMISSION
Cost of Long-Term Debt Capital
Test Year (2011)
Year ending December 31

Line No.	Offering Date (a)	Coupon Rate (b)	Maturity Date (c)	Principal Amount Offered (\$Millions) (d)	Premium Discount and Expenses (\$Millions) (e)	Net Capital Employed		Effective Cost Rate (h)	Total Amount Outstanding		Avg. Monthly Averages (\$Millions) (k)	Carrying Cost (\$Millions) (l)	Projected Average Embedded Cost Rates (m)
						Total Amount (\$Millions) (f)	Per \$100 Principal Amount (Dollars) (g)		at 12/31/10 (\$Millions) (i)	at 12/31/11 (\$Millions) (j)			
1	3-Jun-00	7.350%	3-Jun-30	278.4	4.5	273.9	98.37	7.49%	278.4	278.4	278.4	20.8	
2	22-Jun-01	6.400%	1-Dec-11	174.0	(0.5)	174.5	100.28	6.36%	174.0	0.0	160.6	10.2	
3	22-Jun-01	6.930%	1-Jun-32	109.3	1.0	108.2	99.05	7.01%	109.3	109.3	109.3	7.7	
4	17-Sep-02	5.770%	15-Nov-12	87.0	0.4	86.6	99.55	5.83%	87.0	87.0	87.0	5.1	
5	17-Sep-02	6.930%	1-Jun-32	58.0	(2.2)	60.2	103.71	6.64%	58.0	58.0	58.0	3.9	
6	31-Jan-03	5.770%	15-Nov-12	189.0	(0.9)	189.9	100.48	5.70%	189.0	189.0	189.0	10.8	
7	31-Jan-03	6.350%	31-Jan-34	126.0	1.0	125.0	99.21	6.41%	126.0	126.0	126.0	8.1	
8	22-Apr-03	6.590%	22-Apr-43	145.0	1.1	143.9	99.26	6.64%	145.0	145.0	145.0	9.6	
9	25-Jun-04	6.350%	31-Jan-34	72.0	(0.2)	72.2	100.22	6.33%	72.0	72.0	72.0	4.6	
10	20-Aug-04	6.590%	22-Apr-43	39.0	(3.1)	42.1	107.89	6.06%	39.0	39.0	39.0	2.4	
11	24-Aug-04	6.350%	31-Jan-34	39.0	(1.4)	40.4	103.48	6.09%	39.0	39.0	39.0	2.4	
12	19-May-05	5.360%	20-May-36	228.9	8.2	220.7	96.44	5.60%	228.9	228.9	228.9	12.8	
13	3-Mar-06	4.640%	3-Mar-16	210.0	1.0	209.0	99.52	4.70%	210.0	210.0	210.0	9.9	
14	24-Apr-06	5.360%	20-May-36	187.5	2.5	185.0	98.68	5.45%	187.5	187.5	187.5	10.2	
15	22-Aug-06	4.640%	3-Mar-16	60.0	0.8	59.2	98.75	4.80%	60.0	60.0	60.0	2.9	
16	19-Oct-06	5.000%	19-Oct-46	30.0	0.2	29.8	99.29	5.04%	30.0	30.0	30.0	1.5	
17	13-Mar-07	4.890%	13-Mar-37	240.0	1.3	238.7	99.45	4.93%	240.0	240.0	240.0	11.8	
18	18-Oct-07	5.180%	18-Oct-17	225.0	0.8	224.2	99.63	5.23%	225.0	225.0	225.0	11.8	
19	3-Mar-08	5.180%	18-Oct-17	180.0	(3.1)	183.1	101.73	4.95%	180.0	180.0	180.0	8.9	
20	10-Nov-08	5.000%	12-Nov-13	240.0	1.1	238.9	99.53	5.11%	240.0	240.0	240.0	12.3	
21	14-Jan-09	5.000%	12-Nov-13	130.0	(3.7)	133.7	102.87	4.33%	130.0	130.0	130.0	5.6	
22	3-Mar-09	6.030%	3-Mar-39	195.0	1.1	193.9	99.43	6.07%	195.0	195.0	195.0	11.8	
23	16-Jul-09	5.490%	16-Jul-40	210.0	1.3	208.7	99.37	5.53%	210.0	210.0	210.0	11.6	
24	19-Nov-09	3.130%	19-Nov-14	175.0	0.6	174.4	99.64	3.21%	175.0	175.0	175.0	5.6	
25	15-Mar-10	5.490%	16-Jul-40	120.0	(0.7)	120.7	100.59	5.45%	120.0	120.0	120.0	6.5	
26	15-Mar-10	4.400%	1-Jun-20	180.0	0.8	179.2	99.56	4.45%	180.0	180.0	180.0	8.0	
27	15-Jun-10	4.680%	15-Jun-20	100.0	0.5	99.5	99.50	4.74%	100.0	100.0	100.0	4.7	
28	15-Sep-10	3.560%	15-Sep-15	100.0	0.5	99.5	99.50	3.67%	100.0	100.0	100.0	3.7	
29	15-Mar-11	6.410%	15-Mar-41	300.0	1.5	298.5	99.50	6.45%	0.0	300.0	230.8	14.9	
30	15-Jun-11	5.380%	15-Jun-21	300.0	1.5	298.5	99.50	5.45%	0.0	300.0	161.5	8.8	
31	15-Sep-11	4.260%	15-Sep-16	300.0	1.5	298.5	99.50	4.37%	0.0	300.0	92.3	4.0	
32		Subtotal							4128.0	4854.1	4599.3	252.9	
33		Treasury OM&A costs										2.1	
34		Other financing-related fees										5.7	
35		Total							4128.0	4854.1	4599.3	260.6	5.67%

HYDRO ONE NETWORKS INC.
TRANSMISSION
Cost of Long-Term Debt Capital
Test Year (2012)
Year ending December 31

Line No.	Offering Date	Coupon Rate	Maturity Date	Principal Amount Offered (\$Millions)	Premium Discount and Expenses (\$Millions)	Net Capital Employed		Effective Cost Rate	Total Amount Outstanding		Avg. Monthly Averages (\$Millions)	Carrying Cost (\$Millions)	Projected Average Embedded Cost Rates
						Total Amount (\$Millions)	Per \$100 Principal Amount (Dollars)		at 12/31/11 (\$Millions)	at 12/31/12 (\$Millions)			
	(a)	(b)	(c)	(d)	(e)	(f)	(g)	(h)	(i)	(j)	(k)	(l)	(m)
1	3-Jun-00	7.350%	3-Jun-30	278.4	4.5	273.9	98.37	7.49%	278.4	278.4	278.4	20.8	
2	22-Jun-01	6.930%	1-Jun-32	109.3	1.0	108.2	99.05	7.01%	109.3	109.3	109.3	7.7	
3	17-Sep-02	5.770%	15-Nov-12	87.0	0.4	86.6	99.55	5.83%	87.0	0.0	73.6	4.3	
4	17-Sep-02	6.930%	1-Jun-32	58.0	(2.2)	60.2	103.71	6.64%	58.0	58.0	58.0	3.9	
5	31-Jan-03	5.770%	15-Nov-12	189.0	(0.9)	189.9	100.48	5.70%	189.0	0.0	159.9	9.1	
6	31-Jan-03	6.350%	31-Jan-34	126.0	1.0	125.0	99.21	6.41%	126.0	126.0	126.0	8.1	
7	22-Apr-03	6.590%	22-Apr-43	145.0	1.1	143.9	99.26	6.64%	145.0	145.0	145.0	9.6	
8	25-Jun-04	6.350%	31-Jan-34	72.0	(0.2)	72.2	100.22	6.33%	72.0	72.0	72.0	4.6	
9	20-Aug-04	6.590%	22-Apr-43	39.0	(3.1)	42.1	107.89	6.06%	39.0	39.0	39.0	2.4	
10	24-Aug-04	6.350%	31-Jan-34	39.0	(1.4)	40.4	103.48	6.09%	39.0	39.0	39.0	2.4	
11	19-May-05	5.360%	20-May-36	228.9	8.2	220.7	96.44	5.60%	228.9	228.9	228.9	12.8	
12	3-Mar-06	4.640%	3-Mar-16	210.0	1.0	209.0	99.52	4.70%	210.0	210.0	210.0	9.9	
13	24-Apr-06	5.360%	20-May-36	187.5	2.5	185.0	98.68	5.45%	187.5	187.5	187.5	10.2	
14	22-Aug-06	4.640%	3-Mar-16	60.0	0.8	59.2	98.75	4.80%	60.0	60.0	60.0	2.9	
15	19-Oct-06	5.000%	19-Oct-46	30.0	0.2	29.8	99.29	5.04%	30.0	30.0	30.0	1.5	
16	13-Mar-07	4.890%	13-Mar-37	240.0	1.3	238.7	99.45	4.93%	240.0	240.0	240.0	11.8	
17	18-Oct-07	5.180%	18-Oct-17	225.0	0.8	224.2	99.63	5.23%	225.0	225.0	225.0	11.8	
18	3-Mar-08	5.180%	18-Oct-17	180.0	(3.1)	183.1	101.73	4.95%	180.0	180.0	180.0	8.9	
19	10-Nov-08	5.000%	12-Nov-13	240.0	1.1	238.9	99.53	5.11%	240.0	240.0	240.0	12.3	
20	14-Jan-09	5.000%	12-Nov-13	130.0	(3.7)	133.7	102.87	4.33%	130.0	130.0	130.0	5.6	
21	3-Mar-09	6.030%	3-Mar-39	195.0	1.1	193.9	99.43	6.07%	195.0	195.0	195.0	11.8	
22	16-Jul-09	5.490%	16-Jul-40	210.0	1.3	208.7	99.37	5.53%	210.0	210.0	210.0	11.6	
23	19-Nov-09	3.130%	19-Nov-14	175.0	0.6	174.4	99.64	3.21%	175.0	175.0	175.0	5.6	
24	15-Mar-10	5.490%	16-Jul-40	120.0	(0.7)	120.7	100.59	5.45%	120.0	120.0	120.0	6.5	
25	15-Mar-10	4.400%	1-Jun-20	180.0	0.8	179.2	99.56	4.45%	180.0	180.0	180.0	8.0	
26	15-Jun-10	4.680%	15-Jun-20	100.0	0.5	99.5	99.50	4.74%	100.0	100.0	100.0	4.7	
27	15-Sep-10	3.560%	15-Sep-15	100.0	0.5	99.5	99.50	3.67%	100.0	100.0	100.0	3.7	
28	15-Mar-11	6.410%	15-Mar-41	300.0	1.5	298.5	99.50	6.45%	300.0	300.0	300.0	19.3	
29	15-Jun-11	5.380%	15-Jun-21	300.0	1.5	298.5	99.50	5.45%	300.0	300.0	300.0	16.3	
30	15-Sep-11	4.260%	15-Sep-16	300.0	1.5	298.5	99.50	4.37%	300.0	300.0	300.0	13.1	
31	15-Mar-12	6.910%	15-Mar-42	225.0	1.1	223.9	99.50	6.95%	0.0	225.0	173.1	12.0	
32	15-Jun-12	5.880%	15-Jun-22	225.0	1.1	223.9	99.50	5.95%	0.0	225.0	121.2	7.2	
33	15-Sep-12	4.760%	15-Sep-17	225.0	1.1	223.9	99.50	4.87%	0.0	225.0	69.2	3.4	
34		Subtotal							4854.1	5253.2	5175.1	283.9	
35		Treasury OM&A costs										2.1	
36		Other financing-related fees										5.7	
37		Total							<u>4854.1</u>	<u>5253.2</u>	<u>5175.1</u>	<u>291.7</u>	<u>5.64%</u>