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<b>Suggested rate 2</b>	<b>(\$ 25,000)</b>
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## **6. Conclusions**

Our vehicle rates are such that our lighter equipment costs (cars, SUV, vans and trailers) are under-recovered, while that of our heavier equipment (stake trucks, aerials single bucket, single material handler, digger derricks and substation cube trucks) are being over-recovered.

Suggested Rate 2 was implemented in early 2009, as the results of this study.

NOTE: Any change in rates should be communicated to all supervisors, managers, and the Project Engineer.



# **APPENDIX AN**

*This pricing supplement, together with the short form base shelf prospectus dated June 4, 2001, as amended or supplemented, and each document incorporated by reference into the short form base shelf prospectus, (the "Prospectus") constitutes a public offering of these securities pursuant to the Prospectus only in the jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.*

*These securities have not been and will not be registered under the United States Securities Act of 1933, as amended and may not be offered, sold or delivered within the United States of America and its territories and possessions or to, or for the account or benefit of, United States persons except in certain transactions exempt from the registration requirements of such Act.*

## **PRICING SUPPLEMENT NO. 2 DATED JUNE 19, 2001**

(to short form base shelf prospectus dated June 4, 2001)

### **HYDRO ONE INC. SERIES 2 MEDIUM-TERM NOTES (unsecured)**

CUSIP No. 44810Z AB6

PRINCIPAL AMOUNT: \$300,000,000.00

DENOMINATIONS (if other than Cdn dollars or  
Cdn. dollar denominations of Cdn. \$1,000): N/A

ISSUE PRICE: \$99.917 per \$100.00 principal amount

AGENTS' COMPENSATION: 0.50%

NET PROCEEDS TO HYDRO ONE INC. (the  
"Company"): \$298,251,000.00

SPECIFIED CURRENCY:  
Canadian Dollars  
☒ Yes  
☐ No  
Foreign Currency:  
Exchange Rate Agent:

ORIGINAL ISSUE DATE: June 22, 2001

STATED MATURITY: June 1, 2032

INTEREST RATE: 6.93%

OFFERING YIELD: 6.937%

INTEREST PAYMENT DATE(S):

June 1 and December 1 commencing December 1, 2001

PAYMENT OF PRINCIPAL AND ANY  
PREMIUM AND INTEREST:

☒ Canadian Dollars  
☐ Specified Currency

RECORD DATE(S): The second Business Day prior  
to such Interest Payment Date

DAY COUNT CONVENTION:  
☐ 30/360 for the period  
from to  
☐ Actual /360 for the period  
from to  
☒ Actual/Actual for the period  
from June 22, 2001 to June 1, 2032  
☐ Other

OTHER PROVISIONS: See "Redemption" below.

ADDENDUM ATTACHED:  
☐ Yes  
☒ No

**REDEMPTION:** Under the Trust Indenture, as supplemented by the First Supplemental Trust Indenture to be dated as of June 22, 2001, the Notes may be redeemed in whole or in part at the option of the Company at any time, upon not less than 15 days and not more than 60 days notice to the holders of the Notes to be redeemed, and upon deposit with the Trustee, on the date fixed for redemption, of the Redemption Price.

“Redemption Price” means, with respect to a Note to be redeemed, the greater of (i) the Series 2 Note Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption.

“Government of Canada Yield” on any date means the yield to maturity on such date, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to the remaining term to maturity (calculated from the redemption date) of, in the case of the Series 2 Notes, the Series 2 Notes, such yield to maturity being the average of the yields provided by two Canadian investment dealers specified by the Company.

Series 2 Note Canada Yield Price” means a price equal to the price of the Series 2 Notes calculated to provide a yield to maturity, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) plus 0.22% on the business day preceding the day on which the Corporation gives notice of redemption pursuant to section 5.3 of the Trust Indenture.

Terms used in this Pricing Supplement and not defined herein have the meaning given to such terms in the short form base shelf prospectus of the Company dated June 4, 2001, as supplemented.

**AGENTS:** BMO Nesbitt Burns Inc., CIBC World Markets Inc., Merrill Lynch Canada Inc., TD Securities Inc., National Bank Financial Inc., RBC Dominion Securities Inc. and Scotia Capital Inc.

**FORM:** ( ) Fully Registered  
(●) Book Entry Only

**METHOD OF DISTRIBUTION:**  
(●) Agency  
( ) Principal for Resale  
( ) Direct