

## **COST OF CAPITAL/CAPITAL STRUCTURE**

### **1.0 INTRODUCTION**

The purpose of this evidence is to summarize the method and cost of financing Hydro One's Transmission and Distribution capital requirements for the rebasing year 2023 and for the duration of the Custom IR period.

The cost of capital as described in this Exhibit has been reflected in the revenue requirements for each year of this Application. Hydro One anticipates updating the revenue requirements for the 2023 to 2027 test years when the Board releases its 2023 cost of capital parameters, reflecting: (a) the Board-approved 2023 return on equity and deemed short term debt rate; and (b) long-term debt rates based on Hydro One's actual 2021 and 2022 debt issuances to-date and forecasted debt issues in 2023 with coupon rates based on the September 2022 Consensus Forecast. Hydro One proposes that the 2023 cost of capital parameters established at that time be used to determine the final revenue requirements for 2023 to 2027 test years.

Due to economic uncertainties and other factors including economic recovery from the pandemic and unprecedented levels of government stimulus, Hydro One is considering a proposal for a midterm update to the 2026 and 2027 cost of capital parameters. Hydro One will indicate prior to the hearing of the Application whether or not it intends to proceed with that proposal. If so, Hydro One would provide information on its updated actual and forecasted debt issuances, the latest economic forecasts then available, as well as its full rationale for requesting the midterm update.

### **2.0 CAPITAL STRUCTURE FOR TRANSMISSION AND DISTRIBUTION**

Hydro One's Transmission and Distribution deemed capital structures for rate-making purposes are 60% debt and 40% common equity of utility rate base. The 60% debt component is comprised of 4% deemed short-term debt and 56% long-term debt. This capital structure was approved by the Board, most recently as part of its Decision on Hydro One Transmission's 2020

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1 to 2022 Revenue Requirement Application (EB-2019-0082) and as part of its Decision on Hydro  
2 One Distribution's 2018-2022 Rate Application (EB-2017-0049). This capital structure is also  
3 consistent with the *Report of the Board on the Cost of Capital for Ontario's Regulated Utilities*,  
4 dated December 11, 2009 (EB-2009-0084), and Board Staff's subsequent *Review of the Existing*  
5 *Methodology of the Cost of Capital for Ontario's Regulated Utilities*, dated January 14, 2016.

6

### 7 **3.0 RETURN ON COMMON EQUITY FOR TRANSMISSION AND DISTRIBUTION**

8 Hydro One's proposed Transmission and Distribution revenue requirements each reflect a  
9 return on equity (ROE) of 8.34% as a placeholder for 2023 to 2027 based on the Cost of Capital  
10 Parameters released by the OEB on November 9, 2020, for rates effective January 1, 2021. It is  
11 calculated using the Board's formulaic approach, as set out in Appendix B of the *Cost of Capital*  
12 *for Ontario's Regulated Utilities* report, dated December 11, 2009 (EB-2009-0084).

13

14 As set out above, Hydro One will update the equity component of the cost of capital for the  
15 2023 to 2027 test years using the 2023 ROE to be calculated and released by the Board in the  
16 fall of 2022.

17

### 18 **4.0 DEEMED SHORT-TERM DEBT FOR TRANSMISSION AND DISTRIBUTION**

19 The Board has determined that the deemed amount of short-term debt that should be factored  
20 into rate-setting be fixed at 4% of rate base. The deemed short-term rate of 1.56% is being used  
21 by Hydro One Transmission and Distribution as a placeholder for 2023 to 2027. This rate is based  
22 on the 2023 forecasted bankers' acceptance rate of 0.65% and the 0.91% average annual spread  
23 from the 2020 Cost of Capital Parameters published by the OEB.

24

25 Hydro One will update the deemed short-term debt rate for each of the 2023 to 2027 test years  
26 based on the 2023 deemed short-term debt rate to be calculated and published by the Board in  
27 the fall of 2022.

1 **5.0 LONG-TERM DEBT FOR TRANSMISSION AND DISTRIBUTION**

2 The Board has determined that the deemed amount of long-term debt that should be factored  
3 into rate-setting be fixed at 56% of rate base. The long-term debt rate for Transmission is  
4 calculated, as a placeholder, to be 4.04% for 2023 to 2027. The long-term debt rate for  
5 Distribution is calculated, as a placeholder, to be 4.07% for 2023 to 2027. The difference in the  
6 long-term debt rates for Transmission and Distribution is due to the different annual borrowing  
7 requirements for each business, as described in Exhibit F-01-02. As discussed in detail below,  
8 these rates will be updated based on 2021 and 2022 actuals and 2023 forecasted debt. For both  
9 Transmission and Distribution, the long-term debt rate is calculated as the weighted average  
10 rate on embedded debt, new debt, and forecast debt planned to be issued in 2023, as discussed  
11 in detail in Exhibit F-01-02. Details of Hydro One's Transmission and Distribution long-term debt  
12 rate calculations for the 2023 rebasing year, as well as historical years, are provided in Exhibit F-  
13 01-04.

14  
15 As discussed in this Exhibit, Hydro One will update the long-term debt rate for Transmission and  
16 the long-term debt rate for Distribution for each of the 2023 to 2027 test years based on Hydro  
17 One's actual 2021 and 2022 debt issuances to-date and forecasted debt issues in 2023 with  
18 coupon rates based on the 2022 September Consensus Forecast, consistent with the proposed  
19 update of the return on equity and deemed short-term debt rate.

20  
21 As Hydro One Transmission and Distribution each has a market-determined cost of debt, the  
22 weighted average long-term debt rate is also applied to any notional debt that is required to  
23 match the actual amount of long-term debt to the deemed amount of long-term debt,  
24 consistent with the Board's Decisions in EB-2019-0082 and EB-2017-0049.

25  
26 **6.0 COST OF CAPITAL SUMMARY FOR TRANSMISSION AND DISTRIBUTION**

27 Historical, bridge, test and the last OEB approved debt and equity summary schedules for  
28 Transmission and Distribution are available at Exhibit F-01-03.

Witness: PAOLUCCI William

Filed: 2021-08-05  
EB-2021-0110  
Exhibit F  
Tab 1  
Schedule 1  
Page 4 of 4

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Witness: PAOLUCCI William

1 **COST OF THIRD PARTY LONG-TERM DEBT**

2  
3 **1.0 HYDRO ONE TRANSMISSION AND DISTRIBUTION LONG-TERM DEBT**

4 The debt portfolio for Hydro One Transmission and Distribution is detailed in Exhibit F-01-04.  
5 Hydro One Transmission and Distribution are each allocated a portion of the debt issued by  
6 Hydro One Networks Inc. to Hydro One Inc.

7  
8 Hydro One Networks Inc. issues debt to Hydro One Inc. to reflect debt issued by Hydro One Inc.  
9 to third-party public debt investors. The amount of debt issued by Hydro One Inc. to third-party  
10 public debt investors includes all of the debt required by Hydro One Inc.'s subsidiaries. Third-  
11 party public debt investors hold all of the long-term debt issued by Hydro One Inc. Hydro One  
12 Inc.'s debt financing strategy takes into consideration the objectives of cost effectiveness,  
13 distributing debt maturities evenly over time, and ensuring the term of the debt portfolio is  
14 compatible with the long service lives of the Company's assets.

15  
16 Hydro One Inc. has a Medium Term Note (MTN) Program that provides ready access to issue  
17 debt with a term greater than one year into the Canadian debt capital markets. The standard  
18 maturity terms of five, ten and thirty years are preferred by investors and represent the main  
19 financing that Hydro One Inc. utilizes to execute its financing strategy and raise the required  
20 funds. The short form base shelf prospectus for the current \$4.0 billion MTN Program was filed  
21 on April 14, 2020 with the Canadian Security regulators and is provided in Exhibit A-06-05.

22  
23 As noted in Exhibit F-01-01, Hydro One has proposed to update the long-term debt rate for  
24 Transmission and the long-term debt rate for Distribution. In this exhibit, Hydro One has  
25 updated the Transmission debt rates for 2021, 2022 and 2023 and the Distribution debt rates  
26 for 2021, 2022, and 2023 to reflect the September 2020 consensus forecast and October 2020  
27 long term consensus forecast. These will be further updated as part of the draft rate order  
28 process to include Hydro One's actual 2022 debt issuances to-date and the September 2022  
29 Consensus Forecast.

Witness: PAOLUCCI William

1 **2.0 HYDRO ONE INC. CREDIT RATINGS**

2 Credit ratings are a requirement because Hydro One Inc. issues medium term notes in the  
3 Canadian public debt markets. Table 1 lists the credit ratings of Hydro One Inc.'s debt  
4 obligations by DBRS, Moody's Investors Service and S&P Global Ratings Services:

5  
6 **Table 1 - Credit Ratings for Hydro One Inc.**

Rating Agency	Short-term Debt	Long-term Debt
S&P Global Ratings	A-1(low)	A-
DBRS	R-1(low)	A(high)
Moody's Investors Service (Moody's)	Prime-2	A3

7  
8 The most recent rating agency reports are provided in Exhibit A-06-03.

9  
10 **3.0 HYDRO ONE TRANSMISSION AND DISTRIBUTION COST OF LONG-TERM DEBT**

11 The long-term debt rates for Transmission and Distribution are calculated as the weighted  
12 average cost rates on embedded debt, new debt (debt issued after the last OEB-approved rate  
13 application), forecast debt planned to be issued in 2021 to 2023 and Treasury OM&A costs and  
14 Other financing-related fees forecasted to incur in 2021 to 2023. The weighted average rates on  
15 long-term debt for Transmission are 4.14% for 2021, 4.08% for 2022 and 4.04% for 2023. The  
16 weighted average rates on long-term debt for Distribution are 4.13% for 2021, 4.12% for 2022  
17 and 4.07% for 2023. Details of Hydro One's Transmission and Distribution long-term debt rate  
18 calculations for the 2021 and 2022 bridge years and 2023 test year are provided in Exhibit F-01-  
19 04.

20  
21 The amount of each Hydro One Networks Inc. debt issue that is allocated to the Transmission  
22 and Distribution business is based on the most recent forecast of borrowing requirements for  
23 each of the businesses. Differences in the annual borrowing requirements for each of the  
24 Transmission and Distribution businesses have led to different weighted average long-term debt  
25 rates. Borrowing requirements are driven mainly by debt retirements, capital expenditures net  
26 of internally generated funds, and the maintenance of each business's capital structure. For

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1 example, in October 2020, Hydro One Inc. issued \$400M of 10-year notes with a 1.69% coupon  
2 rate. Hydro One Transmission was allocated \$248M as shown on line 41 of Exhibit F-01-04, page  
3 [9]. Hydro One Distribution was allocated \$152M, as shown on line 41 of Exhibit F-01-04, page  
4 [3]. The coupon rates for debt issues allocated to the Transmission and Distribution businesses,  
5 as shown in Exhibit F-01-04, are equal to the actual interest rates on debt issued by Hydro One  
6 Networks Inc. to Hydro One Inc., and by Hydro One Inc. to third-party public debt investors.

7  
8 **3.1 HYDRO ONE TRANSMISSION AND DISTRIBUTION EMBEDDED DEBT**

9 The Board determined in its *2006 Cost of Capital Report* (page 13) that, for embedded debt, the  
10 rate approved in prior Board decisions shall be maintained for the life of each active instrument,  
11 unless a new rate is negotiated, in which case it will be treated as new debt.

12  
13 Hydro One Transmission's embedded long-term debt, which was issued during the period from  
14 2000 to 2018, is shown on lines 1 to 34 of Exhibit F-01-04, page [7]. The effective cost rates on  
15 these embedded debt issues were approved by the Board as part of EB-2019-0082.

16  
17 Hydro One Distribution's embedded long-term debt, which was issued during the period from  
18 2000 to 2017 is shown on lines 1 to 32 of Exhibit F-01-04, page [1]. The effective cost rates on  
19 these embedded debt issues were approved by the Board as part of EB-2017-0049.

20  
21 **3.2 HYDRO ONE TRANSMISSION AND DISTRIBUTION NEW DEBT**

22 The Board determined in its *2006 Cost of Capital Report* (page 13) that the rate for new debt  
23 that is held by a third-party public debt investor will be the prudently negotiated contract rate.  
24 This would include recognition of premiums and discounts.

25  
26 Since the last Transmission rate filing (EB-2019-0082), Hydro One Transmission's new long-term  
27 debt, which was issued during the period from 2019 to 2020, is shown on lines 30 to 38 of  
28 Exhibit F-01-04, page [12].

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1 Since the last Distribution rate filing (EB-2017-0049), Hydro One Distribution's new long-term  
2 debt, which was issued during the period from 2018 to 2020, is shown on lines 28 to 38 of  
3 Exhibit F-01-04, page [6].

4

5 **3.3 HYDRO ONE TRANSMISSION AND DISTRIBUTION FORECAST DEBT**

6 Hydro One Transmission's forecast borrowing requirements are \$384.9M for 2021, \$718.7M for  
7 2022 and \$654.3M for 2023. Hydro One Distribution's forecast borrowing requirements are  
8 \$127.4M for 2021, \$410.0M for 2022 and \$583.0M for 2023.

9

10 Table 2 lists the fixed rate MTN's that Hydro One Transmission plans to issue in 2021, 2022 and  
11 2023 as shown in lines 39 to 47 of Exhibit F-01-04, page [12].

12

13

**Table 2 - Forecast Transmission Debt Allocation for 2021, 2022 and 2023**

Year	Principal Amount (\$M)	Term (Years)	Coupon
2021	128.3	5	1.33%
	128.3	10	1.86%
	128.3	30	2.86%
2022	239.6	5	2.08%
	239.6	10	2.61%
	239.6	30	3.61%
2023	218.1	5	2.48%
	218.1	10	3.01%
	218.1	30	4.01%

14 Table 3 lists the fixed rate MTN's that Hydro One Distribution plans to issue in 2021, 2022 and  
15 2023 as shown in lines 39 to 47 of Exhibit F-01-04, page [6].

1 **Table 3 - Forecast Distribution Debt Allocation for 2021, 2022 and 2023**

Year	Principal Amount (\$M)	Term (Years)	Coupon
2021	42.5	5	1.33%
	42.5	10	1.86%
	42.5	30	2.86%
2022	136.7	5	2.08%
	136.7	10	2.61%
	136.7	30	3.61%
2023	194.3	5	2.48%
	194.3	10	3.01%
	194.3	30	4.01%

2

3 **3.4 HYDRO ONE TRANSMISSION AND DISTRIBUTION INTEREST RATES FOR 2021, 2022 AND**  
 4 **2023 FORECAST DEBT ISSUES**

5 Transmission and Distribution business borrowing will be financed at market rates applicable to  
 6 Hydro One Inc. Table 4 summarizes the derivation of the forecast Hydro One Inc. yield for both  
 7 Transmission and Distribution for each of the planned issuance terms in 2021, 2022 and 2023.

8

9 **Table 4 - Forecast Yield (%) for 2021 to 2023 Issuance Terms**

	2021			2022			2023		
	5-year	10-year	30-year	5-year	10-year	30-year	5-year	10-year	30-year
<b>Government of Canada</b>	0.65	0.85	1.37	1.40	1.60	2.12	1.80	2.00	2.52
<b>Hydro One Spread</b>	0.68	1.01	1.49	0.68	1.01	1.49	0.68	1.01	1.49
<b>Forecast Hydro One Yield</b>	1.33	1.86	2.86	2.08	2.61	3.61	2.48	3.01	4.01

10

11 Each rate is comprised of the forecast Government of Canada bond yield plus the Hydro One Inc.  
 12 credit spread applicable to that term. The ten-year Government of Canada bond yield forecast  
 13 for 2021 is based on the average of the three-month and 12-month forecast from the  
 14 September 2020 Consensus Forecast. The ten-year Government of Canada bond yield forecast

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1 for 2022 and 2023 is based on the October 2020 Long Term Consensus Forecast. The five-year  
2 Government of Canada bond yield forecasts are derived by subtracting the September 2020  
3 average spreads (five-year to ten-year for the five-year forecast) from the ten-year Government  
4 of Canada bond yield forecast. The thirty-year Government of Canada bond yield forecasts are  
5 derived by adding the September 2020 average spreads (30-year to ten-year for the 30-year  
6 forecast) to the ten-year Government of Canada bond yield forecast. Hydro One's credit spreads  
7 over the Government of Canada bonds are based on the average of indicative new issue spreads  
8 for September 2020 obtained from the Company's MTN dealer group for each planned issuance  
9 term.

10

11 Hydro One assumes that, for rates effective January 1, 2023, the forecast interest rate for Hydro  
12 One Transmission and Distribution debt issues will be based on the September 2022 Consensus  
13 Forecasts and the average of indicative new issue spreads for September 2022 that will be  
14 obtained from the Company's MTN dealer group for each planned issuance term. In addition,  
15 Hydro One assumes that long-term debt rates will be updated to reflect the actual issuances of  
16 debt since the time of original application, consistent with the OEB's Decision on Hydro One  
17 Transmission's 2020 to 2022 revenue requirement application in EB-2019-0082 and  
18 Distribution's 2018 to 2022 rate application in EB-2017-0049, and changes in the interest rate  
19 forecast.

20

### 21 **3.5 HYDRO ONE TRANSMISSION AND DISTRIBUTION TREASURY OM&A COSTS**

22 Treasury OM&A costs are incurred to:

- 23 • execute borrowing plans and issue commercial paper and long-term debt;
- 24 • ensure compliance with securities regulations, bank and debt covenants;
- 25 • manage Hydro One's daily liquidity position, control cash, and manage the company's  
26 bank accounts;
- 27 • settle all transactions and manage relationships with creditors; and
- 28 • communicate with debt investors, banks and credit rating agencies.

1 Treasury OM&A costs for Transmission are provided in the long-term debt schedules for the  
2 2021, 2022 and 2023 in Exhibit F-01-04 and are summarized in Table 5:

3  
4

**Table 5 - Forecast Transmission Treasury OM&A Costs**

Year	Amount (\$M)	Line	Page
2021	1.9	46	[10]
2022	2.0	48	[11]
2023	2.1	49	[12]

5

6 Treasury OM&A costs for Distribution are provided in the long-term debt schedules for the  
7 2021, 2022 and 2023 in Exhibit F-01-04 and are summarized in Table 6:

8  
9

**Table 6 - Forecast Distribution Treasury OM&A Costs**

Year	Amount (\$M)	Line	Page
2021	1.1	46	[4]
2022	1.2	48	[5]
2023	1.2	49	[6]

10

11 **3.6 HYDRO ONE TRANSMISSION AND DISTRIBUTION OTHER FINANCING-RELATED FEES**

12 Column (f) of Exhibit F-01-04 (Premium, Discount and Expenses) represents the costs of issuing  
13 debt. These costs are specific to each debt issue and include commissions, legal fees, debt  
14 discounts or premiums on issues or re-openings of issues relative to par, and hedge gains or  
15 losses.

16

17 Other financing-related fees include the Transmission and Distribution allocations of Hydro One  
18 Inc.'s standby credit facility, annual credit rating agency, filing fees to security regulators, letter  
19 of credit, banking, custodial and trustee fees.

Witness: PAOLUCCI William

1 The amounts of these fees for Transmission are summarized in Table 7 below and are also  
2 provided in the long term debt schedules for the bridge and test years in Exhibit F-01-04:

3

4

**Table 7 - Forecast Transmission Other Financing-Related Fees**

Year	Amount (\$M)	Line	Page
2021	5.0	47	[10]
2022	5.4	49	[11]
2023	5.8	50	[12]

5

6 The amounts of these fees for Distribution are summarized in Table 8 below and are also  
7 provided in the long term debt schedules for the bridge and test years in Exhibit F-01-04:

8

9

**Table 8 - Forecast Distribution Other Financing-Related Fees**

Year	Amount (\$M)	Line	Page
2021	2.9	47	[4]
2022	3.1	49	[5]
2023	3.4	50	[6]

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION**  
**Debt and Equity Summary**  
Historical Years (2018, 2019, 2020) and Bridge Years (2021, 2022)  
As at December 31  
(\$M)

Updated Line No.	Particulars	Amount Outstanding 2018 Actual (a)	Amount Outstanding 2019 Actual (b)	Amount Outstanding 2020 Actual (c)	Amount Outstanding 2021 Bridge (d)	Amount Outstanding 2022 Bridge (e)
1	Long-term debt *	3,600.7	4,215.7	4,610.6	4,487.9	4,636.9
2	Short-term debt	712.3	332.3	44.4	340.7	352.5
3	Preference shares	-	-	-	-	-
4	Common equity	2,716.0	2,635.0	2,770.0	3,406.8	3,525.1

\* Includes debt payable within one year; excludes the 2.25 year debt issue used as short term debt, variable rate debt, unamortized debt premiums/discount, hedging gains/losses and marks to market

**HYDRO ONE NETWORKS INC.**  
**TRANSMISSION**  
**Debt and Equity Summary**  
Historical Years (2018, 2019, 2020) and Bridge Years (2021, 2022)  
As at December 31  
(\$M)

<b>Updated Line No.</b>	<b>Particulars</b>	<b>Amount Outstanding 2018 Actual</b>	<b>Amount Outstanding 2019 Actual</b>	<b>Amount Outstanding 2020 Actual</b>	<b>Amount Outstanding 2021 Bridge</b>	<b>Amount Outstanding 2022 Bridge</b>
		(a)	(b)	(c)	(d)	(e)
1	Long-term debt *	5,358.3	6,243.3	7,101.3	7,236.2	7,635.9
2	Short-term debt	1,634.7	1,149.7	681.7	517.1	545.6
3	Preference shares	-	-	-	-	-
4	Common equity	4,729.0	4,866.0	5,170.0	5,170.9	5,456.4

\* Includes debt payable within one year; excludes the 2.25 year debt issue used as short term debt, variable rate debt, unamortized debt premiums/discount, hedging gains/losses and marks to market

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION**  
Summary of Cost of Capital  
Test Year 2023  
Utility Capital Structure  
Year Ending December 31  
(\$M)

Line No.	Particulars	2023			
		(\$M)	%	Cost Rate (%)	Return (\$M)
		(a)	(b)	(c)	(d)
I	Long-term debt	4,880.7	52.1%	4.07%	198.6
2	Short-term debt	374.9	4.0%	1.56%	5.8
3	Deemed long-term debt	367.7	3.9%	4.07%	15.0
4	Total debt	5,623.2	60.0%	3.90%	219.4
5	Common equity	3,748.8	40.0%	8.34%	312.7
6	Total rate base	<u>9,372.0</u>	<u>100.0%</u>	<u>5.68%</u>	<u>532.1</u>

**HYDRO ONE NETWORKS INC.**  
**TRANSMISSION**  
Summary of Cost of Capital  
Test Year 2023  
Utility Capital Structure  
Year Ending December 31  
(\$M)

Line No.	Particulars	2023			
		(\$M)	%	Cost Rate (%)	Return (\$M)
		(a)	(b)	(c)	(d)
I	Long-term debt	7,873.7	54.0%	4.04%	318.3
2	Short-term debt	583.7	4.0%	1.56%	9.1
3	Deemed long-term debt	298.2	2.0%	4.04%	12.1
4	Total debt	8,755.6	60.0%	3.87%	339.5
5	Common equity	5,837.1	40.0%	8.34%	486.8
6	Total rate base	<u>14,592.7</u>	<u>100.0%</u>	<u>5.66%</u>	<u>826.3</u>

**HYDRO ONE NETWORKS INC.**  
**DISTRIBUTION**  
Summary of Cost of Capital  
**Last OEB-approved year (2018)**  
Utility Capital Structure  
Year Ending December 31  
(\$M)

<b>Line No.</b>	<b>Particulars</b>	<b>2018</b>			
		<b>(\$M)</b>	<b>%</b>	<b>Cost Rate (%)</b>	<b>Return (\$M)</b>
		(a)	(b)	(c)	(d)
I	Long-term debt	3768.1	49.34%	4.47%	168.5
2	Short-term debt	305.5	4.00%	2.29%	7.0
3	Deemed long-term debt	508.5	6.66%	4.47%	22.7
4	Total debt	4582.1	60.00%	4.33%	198.3
5	Common equity	3054.8	40.00%	9.00%	274.9
6	Total rate base	<u>7,636.9</u>	<u>100.00%</u>	<u>6.20%</u>	<u>473.2</u>

**HYDRO ONE NETWORKS INC.**  
**TRANSMISSION**  
Summary of Cost of Capital  
**Last OEB-approved year (2020)**  
Utility Capital Structure  
Year Ending December 31  
(\$M)

<b>Line No.</b>	<b>Particulars</b>	<b>2020</b>			
		<b>(\$M)</b>	<b>%</b>	<b>Cost Rate (%)</b>	<b>Return (\$M)</b>
		(a)	(b)	(c)	(d)
I	Long-term debt	6409.4	51.86%	4.42%	283.6
2	Short-term debt	494.4	4.00%	2.75%	13.6
3	Deemed long-term debt	512.0	4.14%	4.42%	22.7
4	Total debt	7415.8	60.00%	4.31%	319.8
5	Common equity	4943.8	40.00%	8.52%	421.2
6	Total rate base	<u>12,359.6</u>	<u>100.00%</u>	<u>6.00%</u>	<u>741.0</u>

HYDRO ONE NETWORKS INC.  
DISTRIBUTION  
Cost of Long-Term Debt Capital  
Historic Year (2018)  
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	1/1/2017		1/1/2018		Projected Average Embedded Cost Rates
						Total Amount (\$Millions)	Per \$100 Principal Amount (Dollars)		Total Amount Outstanding at 12/31/17 (\$Millions)	Total Amount Outstanding at 12/31/18 (\$Millions)	1/1/2018 Avg. Monthly Averages (\$Millions)	Carrying Cost (\$Millions)	
1	3-Jun-00	7.350%	3-Jun-30	121.6	2.0	119.6	98.37	7.49%	121.6	121.6	121.6	9.1	
2	22-Jun-01	6.930%	1-Jun-32	47.7	0.6	47.1	98.78	7.03%	47.7	47.7	47.7	3.4	
3	17-Sep-02	6.930%	1-Jun-32	142.0	(5.1)	147.1	103.57	6.65%	142.0	142.0	142.0	9.4	
4	31-Jan-03	6.350%	31-Jan-34	74.0	0.6	73.4	99.21	6.41%	74.0	74.0	74.0	4.7	
5	22-Apr-03	6.590%	22-Apr-43	105.0	0.8	104.2	99.26	6.64%	105.0	105.0	105.0	7.0	
6	25-Jun-04	6.350%	31-Jan-34	48.0	(0.1)	48.1	100.22	6.33%	48.0	48.0	48.0	3.0	
7	20-Aug-04	6.590%	22-Apr-43	26.0	(2.1)	28.1	107.89	6.06%	26.0	26.0	26.0	1.6	
8	24-Aug-04	6.350%	31-Jan-34	26.0	(0.9)	26.9	103.48	6.09%	26.0	26.0	26.0	1.6	
9	19-May-05	5.360%	20-May-36	98.1	3.7	94.4	96.19	5.62%	98.1	98.1	98.1	5.5	
10	24-Apr-06	5.360%	20-May-36	62.5	0.8	61.7	98.68	5.45%	62.5	62.5	62.5	3.4	
11	19-Oct-06	5.000%	19-Oct-46	45.0	0.3	44.7	99.29	5.04%	45.0	45.0	45.0	2.3	
12	13-Mar-07	4.890%	13-Mar-37	160.0	0.9	159.1	99.45	4.93%	160.0	160.0	160.0	7.9	
13	3-Mar-09	6.030%	3-Mar-39	105.0	0.6	104.4	99.41	6.07%	105.0	105.0	105.0	6.4	
14	16-Jul-09	5.490%	16-Jul-40	90.0	0.6	89.4	99.36	5.53%	90.0	90.0	90.0	5.0	
15	15-Mar-10	5.490%	24-Jul-40	80.0	(0.5)	80.5	100.58	5.45%	80.0	80.0	80.0	4.4	
16	15-Mar-10	4.400%	4-Jun-20	120.0	0.5	119.5	99.55	4.46%	120.0	120.0	120.0	5.3	
17	13-Sep-10	5.000%	19-Oct-46	100.0	(0.2)	100.2	100.25	4.98%	100.0	100.0	100.0	5.0	
18	26-Sep-11	4.390%	26-Sep-41	75.0	0.5	74.5	99.35	4.43%	75.0	75.0	75.0	3.3	
19	22-Dec-11	4.000%	22-Dec-51	30.0	0.2	29.8	99.47	4.03%	30.0	30.0	30.0	1.2	
20	13-Jan-12	3.200%	13-Jan-22	126.0	0.7	125.3	99.47	3.26%	126.0	126.0	126.0	4.1	
21	22-May-12	3.200%	13-Jan-22	135.0	(1.3)	136.3	100.97	3.08%	135.0	135.0	135.0	4.2	
22	22-May-12	4.000%	22-Dec-51	56.3	0.3	56.0	99.51	4.02%	56.3	56.3	56.3	2.3	
23	31-Jul-12	3.790%	31-Jul-62	22.5	0.1	22.4	99.47	3.81%	22.5	22.5	22.5	0.9	
24	16-Aug-12	3.790%	31-Jul-62	94.0	0.8	93.2	99.20	3.83%	94.0	94.0	94.0	3.6	
25	9-Oct-13	4.590%	9-Oct-43	195.8	1.1	194.6	99.42	4.63%	195.8	195.8	195.8	9.1	
26	9-Oct-13	2.780%	9-Oct-18	337.5	1.4	336.1	99.59	2.87%	337.5	0.0	259.6	7.4	
27	29-Jan-14	4.290%	29-Jan-64	20.0	0.1	19.9	99.44	4.32%	20.0	20.0	20.0	0.9	
28	6-Jun-14	4.170%	6-Jun-44	132.0	0.8	131.2	99.40	4.21%	132.0	132.0	132.0	5.6	
29	24-Feb-16	3.910%	24-Feb-46	175.0	1.1	173.9	99.36	3.95%	175.0	175.0	175.0	6.9	
30	24-Feb-16	2.770%	24-Feb-26	245.0	1.1	243.9	99.56	2.82%	245.0	245.0	245.0	6.9	
31	24-Feb-16	1.840%	24-Feb-21	250.0	0.9	249.1	99.63	1.92%	250.0	250.0	250.0	4.8	
32	18-Nov-16	3.720%	18-Nov-47	180.0	0.9	179.1	99.50	3.75%	180.0	180.0	180.0	6.7	
33	26-Jun-18	2.970%	26-Jun-25	131.5	0.5	131.0	99.60	3.03%	0.0	131.5	70.8	2.1	
34	26-Jun-18	3.630%	25-Jun-49	281.8	1.5	280.3	99.48	3.66%	0.0	281.8	151.7	5.5	
35		<b>Subtotal</b>							<u>3524.9</u>	<u>3600.7</u>	<u>3669.6</u>	<u>160.4</u>	
36		Treasury OM&A costs										0.9	
37		Other financing-related fees										2.7	
38		<b>Total</b>							<u>3524.9</u>	<u>3600.7</u>	<u>3669.6</u>	<u>164.1</u>	<u>4.47%</u>

Note 1 - All debt is 3rd party issued debt with fixed rates

HYDRO ONE NETWORKS INC.  
DISTRIBUTION  
Cost of Long-Term Debt Capital  
Historic Year (2019)  
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	1/1/2018		1/1/2019		Projected Average Embedded Cost Rates	
						Total Amount (\$Millions)	Principal Amount (\$Millions)		at 12/31/18 (\$Millions)	at 12/31/19 (\$Millions)	1/1/2019 Avg. Monthly Averages (\$Millions)	Carrying Cost (\$Millions)		
1	3-Jun-00	7.350%	3-Jun-30	121.6	2.0	119.6	98.37	7.49%	121.6	121.6	121.600	9.1		
2	22-Jun-01	6.930%	1-Jun-32	47.7	0.6	47.1	98.78	7.03%	47.7	47.7	47.728	3.4		
3	17-Sep-02	6.930%	1-Jun-32	142.0	(5.1)	147.1	103.57	6.65%	142.0	142.0	142.000	9.4		
4	31-Jan-03	6.350%	31-Jan-34	74.0	0.6	73.4	99.21	6.41%	74.0	74.0	74.000	4.7		
5	22-Apr-03	6.590%	22-Apr-43	105.0	0.8	104.2	99.26	6.64%	105.0	105.0	105.000	7.0		
6	25-Jun-04	6.350%	31-Jan-34	48.0	(0.1)	48.1	100.22	6.33%	48.0	48.0	48.000	3.0		
7	20-Aug-04	6.590%	22-Apr-43	26.0	(2.1)	28.1	107.89	6.06%	26.0	26.0	26.000	1.6		
8	24-Aug-04	6.350%	31-Jan-34	26.0	(0.9)	26.9	103.48	6.09%	26.0	26.0	26.000	1.6		
9	19-May-05	5.360%	20-May-36	98.1	3.7	94.4	96.19	5.62%	98.1	98.1	98.100	5.5		
10	24-Apr-06	5.360%	20-May-36	62.5	0.8	61.7	98.68	5.45%	62.5	62.5	62.500	3.4		
11	19-Oct-06	5.000%	19-Oct-46	45.0	0.3	44.7	99.29	5.04%	45.0	45.0	45.000	2.3		
12	13-Mar-07	4.890%	13-Mar-37	160.0	0.9	159.1	99.45	4.93%	160.0	160.0	160.000	7.9		
13	3-Mar-09	6.030%	3-Mar-39	105.0	0.6	104.4	99.41	6.07%	105.0	105.0	105.0	6.4		
14	16-Jul-09	5.490%	16-Jul-40	90.0	0.6	89.4	99.36	5.53%	90.0	90.0	90.0	5.0		
15	15-Mar-10	5.490%	24-Jul-40	80.0	(0.5)	80.5	100.58	5.45%	80.0	80.0	80.0	4.4		
16	15-Mar-10	4.400%	4-Jun-20	120.0	0.5	119.5	99.55	4.46%	120.0	120.0	120.0	5.3		
17	13-Sep-10	5.000%	19-Oct-46	100.0	(0.2)	100.2	100.25	4.98%	100.0	100.0	100.0	5.0		
18	26-Sep-11	4.390%	26-Sep-41	75.0	0.5	74.5	99.35	4.43%	75.0	75.0	75.0	3.3		
19	22-Dec-11	4.000%	22-Dec-51	30.0	0.2	29.8	99.47	4.03%	30.0	30.0	30.0	1.2		
20	13-Jan-12	3.200%	13-Jan-22	126.0	0.7	125.3	99.47	3.26%	126.0	126.0	126.0	4.1		
21	22-May-12	3.200%	13-Jan-22	135.0	(1.3)	136.3	100.97	3.08%	135.0	135.0	135.0	4.2		
22	22-May-12	4.000%	22-Dec-51	56.3	0.3	56.0	99.51	4.02%	56.3	56.3	56.3	2.3		
23	31-Jul-12	3.790%	31-Jul-62	22.5	0.1	22.4	99.47	3.81%	22.5	22.5	22.5	0.9		
24	16-Aug-12	3.790%	31-Jul-62	94.0	0.8	93.2	99.20	3.83%	94.0	94.0	94.0	3.6		
25	9-Oct-13	4.590%	9-Oct-43	195.8	1.1	194.6	99.42	4.63%	195.8	195.8	195.8	9.1		
26	29-Jan-14	4.290%	29-Jan-64	20.0	0.1	19.9	99.44	4.32%	20.0	20.0	20.0	0.9		
27	6-Jun-14	4.170%	6-Jun-44	132.0	0.8	131.2	99.40	4.21%	132.0	132.0	132.0	5.6		
28	24-Feb-16	3.910%	24-Feb-46	175.0	1.1	173.9	99.36	3.95%	175.0	175.0	175.0	6.9		
29	24-Feb-16	2.770%	24-Feb-26	245.0	1.1	243.9	99.56	2.82%	245.0	245.0	245.0	6.9		
30	24-Feb-16	1.840%	24-Feb-21	250.0	0.9	249.1	99.63	1.92%	250.0	250.0	250.0	4.8		
31	18-Nov-16	3.720%	18-Nov-47	180.0	0.9	179.1	99.50	3.75%	180.0	180.0	180.0	6.7		
32	26-Jun-18	2.970%	26-Jun-25	131.5	0.5	131.0	99.60	3.03%	131.5	131.5	131.5	4.0		
33	26-Jun-18	3.630%	25-Jun-49	281.8	1.5	280.3	99.48	3.66%	281.8	281.8	281.8	10.3		
34	5-Apr-19	2.540%	5-Apr-24	287.0	1.1	285.9	99.62	2.62%	0.0	287.0	198.7	5.2		
35	5-Apr-19	3.020%	5-Apr-29	225.5	1.0	224.5	99.57	3.07%	0.0	225.5	156.1	4.8		
36	5-Apr-19	3.640%	5-Apr-50	102.5	0.6	101.9	99.43	3.67%	0.0	102.5	71.0	2.6		
37	<b>Subtotal</b>									3600.7	4215.7	4026.4	172.2	
38	Treasury OM&A costs												1.0	
39	Other financing-related fees												2.3	
40	<b>Total</b>									3600.7	4215.7	4026.4	175.5	4.36%

Note 1 - All debt is 3rd party issued debt with fixed rates

HYDRO ONE NETWORKS INC.  
DISTRIBUTION  
Cost of Long-Term Debt Capital  
Historic Year (2020)  
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	1/1/2019 1/1/2020 Total Amount Outstanding		1/1/2020 Avg. Monthly Averages (\$Millions)	Carrying Cost (\$Millions)	Projected Average Embedded Cost Rates
						Total Amount (\$Millions)	Principal Amount (Dollars)		at 12/31/19 (\$Millions)	at 12/31/20 (\$Millions)			
1	3-Jun-00	7.350%	3-Jun-30	121.6	2.0	119.6	98.37	7.49%	121.6	121.6	121.600	9.1	
2	22-Jun-01	6.930%	1-Jun-32	47.7	0.6	47.1	98.78	7.03%	47.7	47.7	47.728	3.4	
3	17-Sep-02	6.930%	1-Jun-32	142.0	(5.1)	147.1	103.57	6.65%	142.0	142.0	142.000	9.4	
4	31-Jan-03	6.350%	31-Jan-34	74.0	0.6	73.4	99.21	6.41%	74.0	74.0	74.000	4.7	
5	22-Apr-03	6.590%	22-Apr-43	105.0	0.8	104.2	99.26	6.64%	105.0	105.0	105.000	7.0	
6	25-Jun-04	6.350%	31-Jan-34	48.0	(0.1)	48.1	100.22	6.33%	48.0	48.0	48.000	3.0	
7	20-Aug-04	6.590%	22-Apr-43	26.0	(2.1)	28.1	107.89	6.06%	26.0	26.0	26.000	1.6	
8	24-Aug-04	6.350%	31-Jan-34	26.0	(0.9)	26.9	103.48	6.09%	26.0	26.0	26.000	1.6	
9	19-May-05	5.360%	20-May-36	98.1	3.7	94.4	96.19	5.62%	98.1	98.1	98.100	5.5	
10	24-Apr-06	5.360%	20-May-36	62.5	0.8	61.7	98.68	5.45%	62.5	62.5	62.500	3.4	
11	19-Oct-06	5.000%	19-Oct-46	45.0	0.3	44.7	99.29	5.04%	45.0	45.0	45.000	2.3	
12	13-Mar-07	4.890%	13-Mar-37	160.0	0.9	159.1	99.45	4.93%	160.0	160.0	160.000	7.9	
13	3-Mar-09	6.030%	3-Mar-39	105.0	0.6	104.4	99.41	6.07%	105.0	105.0	105.0	6.4	
14	16-Jul-09	5.490%	16-Jul-40	90.0	0.6	89.4	99.36	5.53%	90.0	90.0	90.0	5.0	
15	15-Mar-10	5.490%	24-Jul-40	80.0	(0.5)	80.5	100.58	5.45%	80.0	80.0	80.0	4.4	
16	15-Mar-10	4.400%	4-Jun-20	120.0	0.5	119.5	99.55	4.46%	120.0	0.0	55.4	2.5	
17	13-Sep-10	5.000%	19-Oct-46	100.0	(0.2)	100.2	100.25	4.98%	100.0	100.0	100.0	5.0	
18	26-Sep-11	4.390%	26-Sep-41	75.0	0.5	74.5	99.35	4.43%	75.0	75.0	75.0	3.3	
19	22-Dec-11	4.000%	22-Dec-51	30.0	0.2	29.8	99.47	4.03%	30.0	30.0	30.0	1.2	
20	13-Jan-12	3.200%	13-Jan-22	126.0	0.7	125.3	99.47	3.26%	126.0	126.0	126.0	4.1	
21	22-May-12	3.200%	13-Jan-22	135.0	(1.3)	136.3	100.97	3.08%	135.0	135.0	135.0	4.2	
22	22-May-12	4.000%	22-Dec-51	56.3	0.3	56.0	99.51	4.02%	56.3	56.3	56.3	2.3	
23	31-Jul-12	3.790%	31-Jul-62	22.5	0.1	22.4	99.47	3.81%	22.5	22.5	22.5	0.9	
24	16-Aug-12	3.790%	31-Jul-62	94.0	0.8	93.2	99.20	3.83%	94.0	94.0	94.0	3.6	
25	9-Oct-13	4.590%	9-Oct-43	195.8	1.1	194.6	99.42	4.63%	195.8	195.8	195.8	9.1	
26	29-Jan-14	4.290%	29-Jan-64	20.0	0.1	19.9	99.44	4.32%	20.0	20.0	20.0	0.9	
27	6-Jun-14	4.170%	6-Jun-44	132.0	0.8	131.2	99.40	4.21%	132.0	132.0	132.0	5.6	
28	24-Feb-16	3.910%	24-Feb-46	175.0	1.1	173.9	99.36	3.95%	175.0	175.0	175.0	6.9	
29	24-Feb-16	2.770%	24-Feb-26	245.0	1.1	243.9	99.56	2.82%	245.0	245.0	245.0	6.9	
30	24-Feb-16	1.840%	24-Feb-21	250.0	0.9	249.1	99.63	1.92%	250.0	250.0	250.0	4.8	
31	18-Nov-16	3.720%	18-Nov-47	180.0	0.9	179.1	99.50	3.75%	180.0	180.0	180.0	6.7	
32	26-Jun-18	2.970%	26-Jun-25	131.5	0.5	131.0	99.60	3.03%	131.5	131.5	131.5	4.0	
33	26-Jun-18	3.630%	25-Jun-49	281.8	1.5	280.3	99.48	3.66%	281.8	281.8	281.8	10.3	
34	5-Apr-19	2.540%	5-Apr-24	287.0	1.1	285.9	99.62	2.62%	287.0	287.0	287.0	7.5	
35	5-Apr-19	3.020%	5-Apr-29	225.5	1.0	224.5	99.57	3.07%	225.5	225.5	225.5	6.9	
36	5-Apr-19	3.640%	5-Apr-50	102.5	0.6	101.9	99.43	3.67%	102.5	102.5	102.5	3.8	
37	28-Feb-20	1.760%	28-Feb-25	76.7	0.3	76.4	99.63	1.84%	0.0	76.7	64.9	1.2	
38	28-Feb-20	2.160%	28-Feb-30	76.7	0.3	76.4	99.58	2.21%	0.0	76.7	64.9	1.4	
39	28-Feb-20	2.710%	28-Feb-50	57.5	0.3	57.2	99.42	2.74%	0.0	57.5	48.7	1.3	
40	9-Oct-20	0.710%	16-Jan-23	76.0	0.6	75.4	99.27	1.04%	0.0	76.0	17.5	0.2	
41	9-Oct-20	1.690%	16-Jan-31	152.0	0.7	151.3	99.54	1.74%	0.0	152.0	35.1	0.6	Note 2
42	9-Oct-20	2.710%	28-Feb-50	76.0	0.2	75.8	99.68	2.73%	0.0	76.0	17.5	0.5	
43		<b>Subtotal</b>							<u>4215.7</u>	<u>4610.6</u>	<u>4399.7</u>	<u>180.1</u>	
44		Treasury OM&A costs										1.0	
45		Other financing-related fees										2.8	
46		<b>Total</b>							<u>4215.7</u>	<u>4610.6</u>	<u>4399.7</u>	<u>183.9</u>	<u>4.18%</u>

Note 1 - All debt is 3rd party issued debt with fixed rates

Note 2 - \$152 million of the Oct 9th 2020 \$228 million 2.25 year 0.71% bond allocated to Dx is being used to finance the deemed short term debt amount equal to 4% of rate base.

HYDRO ONE NETWORKS INC.  
DISTRIBUTION  
Cost of Long-Term Debt Capital  
Test Year (2021)  
Year ending December 31

Line No.	Offering Date	Coupon Rate	Maturity Date	Principal Amount Offered (\$Millions)	Premium Discount and Expenses (\$Millions)	Net Capital Total Amount (\$Millions)	Employed Per \$100 Principal Amount (Dollars)	Effective Cost Rate	1/1/2021 Total Amount Outstanding at		1/1/2021 Avg. Monthly Averages (\$Millions)	Carrying Cost (\$Millions)	Projected Average Embedded Cost Rates
									12/31/20 (\$Millions)	12/31/21 (\$Millions)			
1	3-Jun-00	7.350%	3-Jun-30	121.6	2.0	119.6	98.37	7.49%	121.6	121.6	121.60	9.1	
2	22-Jun-01	6.930%	1-Jun-32	47.7	0.6	47.1	98.78	7.03%	47.7	47.7	47.73	3.4	
3	17-Sep-02	6.930%	1-Jun-32	142.0	(5.1)	147.1	103.57	6.65%	142.0	142.0	142.00	9.4	
4	31-Jan-03	6.350%	31-Jan-34	74.0	0.6	73.4	99.21	6.41%	74.0	74.0	74.00	4.7	
5	22-Apr-03	6.590%	22-Apr-43	105.0	0.8	104.2	99.26	6.64%	105.0	105.0	105.00	7.0	
6	25-Jun-04	6.350%	31-Jan-34	48.0	(0.1)	48.1	100.22	6.33%	48.0	48.0	48.00	3.0	
7	20-Aug-04	6.590%	22-Apr-43	26.0	(2.1)	28.1	107.89	6.06%	26.0	26.0	26.00	1.6	
8	24-Aug-04	6.350%	31-Jan-34	26.0	(0.9)	26.9	103.48	6.09%	26.0	26.0	26.00	1.6	
9	19-May-05	5.360%	20-May-36	98.1	3.7	94.4	96.19	5.62%	98.1	98.1	98.10	5.5	
10	24-Apr-06	5.360%	20-May-36	62.5	0.8	61.7	98.68	5.45%	62.5	62.5	62.50	3.4	
11	19-Oct-06	5.000%	19-Oct-46	45.0	0.3	44.7	99.29	5.04%	45.0	45.0	45.00	2.3	
12	13-Mar-07	4.890%	13-Mar-37	160.0	0.9	159.1	99.45	4.93%	160.0	160.0	160.00	7.9	
13	3-Mar-09	6.030%	3-Mar-39	105.0	0.6	104.4	99.41	6.07%	105.0	105.0	105.00	6.4	
14	16-Jul-09	5.490%	16-Jul-40	90.0	0.6	89.4	99.36	5.53%	90.0	90.0	90.00	5.0	
15	15-Mar-10	5.490%	24-Jul-40	80.0	(0.5)	80.5	100.58	5.45%	80.0	80.0	80.00	4.4	
16	13-Sep-10	5.000%	19-Oct-46	100.0	(0.2)	100.2	100.25	4.98%	100.0	100.0	100.00	5.0	
17	26-Sep-11	4.390%	26-Sep-41	75.0	0.5	74.5	99.35	4.43%	75.0	75.0	75.00	3.3	
18	22-Dec-11	4.000%	22-Dec-51	30.0	0.2	29.8	99.47	4.03%	30.0	30.0	30.00	1.2	
19	13-Jan-12	3.200%	13-Jan-22	126.0	0.7	125.3	99.47	3.26%	126.0	126.0	126.00	4.1	
20	22-May-12	3.200%	13-Jan-22	135.0	(1.3)	136.3	100.97	3.08%	135.0	135.0	135.00	4.2	
21	22-May-12	4.000%	22-Dec-51	56.3	0.3	56.0	99.51	4.02%	56.3	56.3	56.25	2.3	
22	31-Jul-12	3.790%	31-Jul-62	22.5	0.1	22.4	99.47	3.81%	22.5	22.5	22.50	0.9	
23	16-Aug-12	3.790%	31-Jul-62	94.0	0.8	93.2	99.20	3.83%	94.0	94.0	94.00	3.6	
24	9-Oct-13	4.590%	9-Oct-43	195.8	1.1	194.6	99.42	4.63%	195.8	195.8	195.75	9.1	
25	29-Jan-14	4.310%	29-Jan-64	20.0	0.1	19.9	99.44	4.34%	20.0	20.0	20.00	0.9	
26	3-Jun-14	4.170%	3-Jun-44	132.0	0.8	131.2	99.40	4.21%	132.0	132.0	132.00	5.6	
27	24-Feb-16	3.910%	24-Feb-46	175.0	1.1	173.9	99.36	3.95%	175.0	175.0	175.00	6.9	
28	24-Feb-16	2.770%	24-Feb-26	245.0	1.1	243.9	99.56	2.82%	245.0	245.0	245.00	6.9	
29	24-Feb-16	1.840%	24-Feb-21	250.0	0.9	249.1	99.63	1.92%	250.0	0.0	38.46	0.7	
30	18-Nov-16	3.720%	18-Nov-47	180.0	0.9	179.1	99.50	3.75%	180.0	180.0	180.00	6.7	
31	26-Jun-18	3.630%	25-Jun-49	281.8	1.5	280.3	99.48	3.66%	281.8	281.8	281.76	10.3	
32	26-Jun-18	2.970%	26-Jun-25	131.5	0.5	131.0	99.60	3.03%	131.5	131.5	131.49	4.0	
33	5-Apr-19	3.640%	5-Apr-49	102.5	0.6	101.9	99.43	3.67%	102.5	102.5	102.50	3.8	
34	5-Apr-19	3.020%	5-Apr-29	225.5	1.0	224.5	99.57	3.07%	225.5	225.5	225.50	6.9	
35	5-Apr-19	2.540%	5-Apr-24	287.0	1.1	285.9	99.62	2.62%	287.0	287.0	287.00	7.5	
36	28-Feb-20	2.710%	28-Feb-50	57.5	0.3	57.2	99.50	2.73%	57.5	57.5	57.51	1.6	
37	28-Feb-20	2.160%	28-Feb-30	76.7	0.3	76.4	99.58	2.21%	76.7	76.7	76.69	1.7	
38	28-Feb-20	1.760%	28-Feb-25	76.7	0.3	76.4	99.63	1.84%	76.7	76.7	76.69	1.4	
39	9-Oct-20	2.710%	28-Feb-50	76.0	0.2	75.8	99.68	2.73%	76.0	76.0	76.00	2.1	
40	9-Oct-20	1.690%	16-Jan-31	152.0	0.7	151.3	99.54	1.74%	152.0	152.0	152.00	2.6	
41	9-Oct-20	0.710%	16-Jan-23	76.0	0.6	75.4	99.27	1.04%	76.0	76.0	76.00	0.8	
42	15-Mar-21	2.860%	15-Mar-51	42.5	0.2	42.2	99.50	2.88%	0.0	42.5	32.66	0.9	Note 2
43	15-Jun-21	1.859%	15-Jun-31	42.5	0.2	42.2	99.50	1.91%	0.0	42.5	22.86	0.4	
44	15-Sep-21	1.327%	15-Sep-26	42.5	0.2	42.2	99.50	1.43%	0.0	42.5	13.06	0.2	
45		<b>Subtotal</b>							<u>4610.6</u>	<u>4487.9</u>	<u>4467.6</u>	<u>180.1</u>	
46		Treasury OM&A costs										1.1	
47		Other financing-related fees										2.9	
48		<b>Total</b>							<u>4610.6</u>	<u>4487.9</u>	<u>4467.6</u>	<u>184.2</u>	<u>4.13%</u>

Note 1 - All debt is 3rd party issued debt with fixed rates

Note 2 - \$152 million of the Oct 9th 2020 \$228 million 2.25 year 0.71% bond allocated to Dx is being used to finance the deemed short term debt amount equal to 4% of rate base.

HYDRO ONE NETWORKS INC.  
DISTRIBUTION  
Cost of Long-Term Debt Capital  
Test Year (2022)  
Year ending December 31

Line No.	Offering Date	Coupon Rate	Maturity Date	Principal Amount Offered (\$Millions)	Premium Discount and Expenses (\$Millions)	Net Capital Total Amount (\$Millions)	Employed Per \$100 Principal Amount (Dollars)	Effective Cost Rate	1/1/2021 Total Amount Outstanding at		1/1/2022 Avg. Monthly Averages (\$Millions)	Carrying Cost (\$Millions)	Projected Average Embedded Cost Rates
									12/31/21 (\$Millions)	12/31/22 (\$Millions)			
1	3-Jun-00	7.350%	3-Jun-30	121.6	2.0	119.6	98.37	7.49%	121.6	121.6	121.600	9.10	
2	22-Jun-01	6.930%	1-Jun-32	47.7	0.6	47.1	98.78	7.03%	47.7	47.7	47.728	3.35	
3	17-Sep-02	6.930%	1-Jun-32	142.0	(5.1)	147.1	103.57	6.65%	142.0	142.0	142.000	9.45	
4	31-Jan-03	6.350%	31-Jan-34	74.0	0.6	73.4	99.21	6.41%	74.0	74.0	74.000	4.74	
5	22-Apr-03	6.590%	22-Apr-43	105.0	0.8	104.2	99.26	6.64%	105.0	105.0	105.000	6.98	
6	25-Jun-04	6.350%	31-Jan-34	48.0	(0.1)	48.1	100.22	6.33%	48.0	48.0	48.000	3.04	
7	20-Aug-04	6.590%	22-Apr-43	26.0	(2.1)	28.1	107.89	6.06%	26.0	26.0	26.000	1.58	
8	24-Aug-04	6.350%	31-Jan-34	26.0	(0.9)	26.9	103.48	6.09%	26.0	26.0	26.000	1.58	
9	19-May-05	5.360%	20-May-36	98.1	3.7	94.4	96.19	5.62%	98.1	98.1	98.100	5.51	
10	24-Apr-06	5.360%	20-May-36	62.5	0.8	61.7	98.68	5.45%	62.5	62.5	62.500	3.41	
11	19-Oct-06	5.000%	19-Oct-46	45.0	0.3	44.7	99.29	5.04%	45.0	45.0	45.000	2.27	
12	13-Mar-07	4.890%	13-Mar-37	160.0	0.9	159.1	99.45	4.93%	160.0	160.0	160.000	7.88	
13	3-Mar-09	6.030%	3-Mar-39	105.0	0.6	104.4	99.41	6.07%	105.0	105.0	105.000	6.38	
14	16-Jul-09	5.490%	16-Jul-40	90.0	0.6	89.4	99.36	5.53%	90.0	90.0	90.000	4.98	
15	15-Mar-10	5.490%	24-Jul-40	80.0	(0.5)	80.5	100.58	5.45%	80.0	80.0	80.000	4.36	
16	13-Sep-10	5.000%	19-Oct-46	100.0	(0.2)	100.2	100.25	4.98%	100.0	100.0	100.000	4.98	
17	26-Sep-11	4.390%	26-Sep-41	75.0	0.5	74.5	99.35	4.43%	75.0	75.0	75.000	3.32	
18	22-Dec-11	4.000%	22-Dec-51	30.0	0.2	29.8	99.47	4.03%	30.0	30.0	30.000	1.21	
19	13-Jan-12	3.200%	13-Jan-22	126.0	0.7	125.3	99.47	3.26%	126.0	0.0	9.69	0.32	
20	22-May-12	3.200%	13-Jan-22	135.0	(1.3)	136.3	100.97	3.08%	135.0	0.0	10.38	0.32	
21	22-May-12	4.000%	22-Dec-51	56.3	0.3	56.0	99.51	4.02%	56.3	56.3	56.250	2.26	
22	31-Jul-12	3.790%	31-Jul-62	22.5	0.1	22.4	99.47	3.81%	22.5	22.5	22.500	0.86	
23	16-Aug-12	3.790%	31-Jul-62	94.0	0.8	93.2	99.20	3.83%	94.0	94.0	94.000	3.60	
24	9-Oct-13	4.590%	9-Oct-43	195.8	1.1	194.6	99.42	4.63%	195.8	195.8	195.750	9.05	
25	29-Jan-14	4.310%	29-Jan-64	20.0	0.1	19.9	99.44	4.34%	20.0	20.0	20.000	0.87	
26	3-Jun-14	4.170%	3-Jun-44	132.0	0.8	131.2	99.40	4.21%	132.0	132.0	132.000	5.55	
27	24-Feb-16	3.910%	24-Feb-46	175.0	1.1	173.9	99.36	3.95%	175.0	175.0	175.000	6.91	
28	24-Feb-16	2.770%	24-Feb-26	245.0	1.1	243.9	99.56	2.82%	245.0	245.0	245.000	6.91	
29	18-Nov-16	3.720%	18-Nov-47	180.0	0.9	179.1	99.50	3.75%	180.0	180.0	180.000	6.75	
30	26-Jun-18	3.630%	25-Jun-49	281.8	1.5	280.3	99.48	3.66%	281.8	281.8	281.760	10.31	
31	26-Jun-18	2.970%	26-Jun-25	131.5	0.5	131.0	99.60	3.03%	131.5	131.5	131.450	3.99	
32	5-Apr-19	3.640%	5-Apr-49	102.5	0.6	101.9	99.43	3.67%	102.5	102.5	102.500	3.76	
33	5-Apr-19	3.020%	5-Apr-29	225.5	1.0	224.5	99.57	3.07%	225.5	225.5	225.500	6.92	
34	5-Apr-19	2.540%	5-Apr-24	287.0	1.1	285.9	99.62	2.62%	287.0	287.0	287.000	7.52	
35	28-Feb-20	2.710%	28-Feb-50	57.5	0.3	57.2	99.50	2.73%	57.5	57.5	57.510	1.57	
36	28-Feb-20	2.160%	28-Feb-30	76.7	0.3	76.4	99.58	2.21%	76.7	76.7	76.690	1.69	
37	28-Feb-20	1.760%	28-Feb-25	76.7	0.3	76.4	99.63	1.84%	76.7	76.7	76.690	1.41	
38	9-Oct-20	2.710%	28-Feb-50	76.0	0.2	75.8	99.68	2.73%	76.0	76.0	76.000	2.07	
39	9-Oct-20	1.690%	16-Jan-31	152.0	0.7	151.3	99.54	1.74%	152.0	152.0	152.000	2.64	
40	9-Oct-20	0.710%	16-Jan-23	76.0	0.6	75.4	99.27	1.04%	76.0	76.0	76.000	0.79	
41	15-Mar-21	2.860%	15-Mar-51	42.5	0.2	42.2	99.50	2.88%	42.5	42.5	42.460	1.22	Note 2
42	15-Jun-21	1.859%	15-Jun-31	42.5	0.2	42.2	99.50	1.91%	42.5	42.5	42.460	0.81	
43	15-Sep-21	1.327%	15-Sep-26	42.5	0.2	42.2	99.50	1.43%	42.5	42.5	42.460	0.61	
44	15-Mar-22	3.610%	15-Mar-52	136.7	0.7	136.0	99.50	3.64%	0.0	136.7	105.12	3.82	
45	15-Jun-22	2.609%	15-Jun-32	136.7	0.7	136.0	99.50	2.67%	0.0	136.7	73.59	1.96	
46	15-Sep-22	2.077%	15-Sep-27	136.7	0.7	136.0	99.50	2.18%	0.0	136.7	42.05	0.92	
47		<b>Subtotal</b>							<u>4487.9</u>	<u>4636.9</u>	<u>4467.8</u>	<u>179.55</u>	
48		Treasury OM&A costs										1.2	
49		Other financing-related fees										3.1	
50		<b>Total</b>							<u>4487.9</u>	<u>4636.9</u>	<u>4467.8</u>	<u>183.8</u>	<u>4.12%</u>

Note 1 - All debt is 3rd party issued debt with fixed rates

Note 2 - \$152 million of the Oct 9th 2020 \$228 million 2.25 year 0.71% bond allocated to Dx is being used to finance the deemed short term debt amount equal to 4% of rate base.

HYDRO ONE NETWORKS INC.  
DISTRIBUTION  
Cost of Long-Term Debt Capital  
Test Year (2023)  
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	1/1/2022 Total Amount Outstanding at		1/1/2023 Avg. Monthly Averages (\$Millions)	Carrying Cost (\$Millions)	Projected Average Embedded Cost Rates
						Total (\$Millions)	Per \$100 Principal (\$Dollars)		12/31/22 (\$Millions)	12/31/23 (\$Millions)			
1	3-Jun-00	7.350%	3-Jun-30	121.6	2.0	119.6	98.37	7.49%	121.6	121.6	121.600	9.1	
2	22-Jun-01	6.930%	1-Jun-32	47.7	0.6	47.1	98.78	7.03%	47.7	47.7	47.728	3.4	
3	17-Sep-02	6.930%	1-Jun-32	142.0	(5.1)	147.1	103.57	6.65%	142.0	142.0	142.000	9.4	
4	31-Jan-03	6.350%	31-Jan-34	74.0	0.6	73.4	99.21	6.41%	74.0	74.0	74.000	4.7	
5	22-Apr-03	6.590%	22-Apr-43	105.0	0.8	104.2	99.26	6.64%	105.0	105.0	105.000	7.0	
6	25-Jun-04	6.350%	31-Jan-34	48.0	(0.1)	48.1	100.22	6.33%	48.0	48.0	48.000	3.0	
7	20-Aug-04	6.590%	22-Apr-43	26.0	(2.1)	28.1	107.89	6.06%	26.0	26.0	26.000	1.6	
8	24-Aug-04	6.350%	31-Jan-34	26.0	(0.9)	26.9	103.48	6.09%	26.0	26.0	26.000	1.6	
9	19-May-05	5.360%	20-May-36	98.1	3.7	94.4	96.19	5.62%	98.1	98.1	98.100	5.5	
10	24-Apr-06	5.360%	20-May-36	62.5	0.8	61.7	96.68	5.45%	62.5	62.5	62.500	3.4	
11	19-Oct-06	5.000%	19-Oct-46	45.0	0.3	44.7	99.29	5.04%	45.0	45.0	45.000	2.3	
12	13-Mar-07	4.890%	13-Mar-37	160.0	0.9	159.1	99.45	4.93%	160.0	160.0	160.000	7.9	
13	3-Mar-09	6.030%	3-Mar-39	105.0	0.6	104.4	99.41	6.07%	105.0	105.0	105.0	6.4	
14	16-Jul-09	5.490%	16-Jul-40	90.0	0.6	89.4	99.36	5.53%	90.0	90.0	90.0	5.0	
15	15-Mar-10	5.490%	24-Jul-40	80.0	(0.5)	80.5	100.58	5.45%	80.0	80.0	80.0	4.4	
16	13-Sep-10	5.000%	19-Oct-46	100.0	(0.2)	100.2	100.25	4.98%	100.0	100.0	100.0	5.0	
17	26-Sep-11	4.390%	26-Sep-41	75.0	0.5	74.5	99.35	4.43%	75.0	75.0	75.0	3.3	
18	22-Dec-11	4.000%	22-Dec-51	30.0	0.2	29.8	99.47	4.03%	30.0	30.0	30.0	1.2	
19	22-May-12	4.000%	22-Dec-51	56.3	0.3	56.0	99.51	4.02%	56.3	56.3	56.3	2.3	
20	31-Jul-12	3.790%	31-Jul-62	22.5	0.1	22.4	99.47	3.81%	22.5	22.5	22.5	0.9	
21	16-Aug-12	3.790%	31-Jul-62	94.0	0.8	93.2	99.20	3.83%	94.0	94.0	94.0	3.6	
22	9-Oct-13	4.590%	9-Oct-43	195.8	1.1	194.6	99.42	4.63%	195.8	195.8	195.8	9.1	
23	29-Jan-14	4.310%	29-Jan-64	20.0	0.1	19.9	99.44	4.34%	20.0	20.0	20.0	0.9	
24	3-Jun-14	4.170%	3-Jun-44	132.0	0.8	131.2	99.40	4.21%	132.0	132.0	132.0	5.6	
25	24-Feb-16	3.910%	24-Feb-46	175.0	1.1	173.9	99.36	3.95%	175.0	175.0	175.0	6.9	
26	24-Feb-16	2.770%	24-Feb-26	245.0	1.1	243.9	99.56	2.82%	245.0	245.0	245.0	6.9	
27	18-Nov-16	3.720%	18-Nov-47	180.0	0.9	179.1	99.50	3.75%	180.0	180.0	180.0	6.7	
28	26-Jun-18	3.630%	25-Jun-49	281.8	1.5	280.3	99.48	3.66%	281.8	281.8	281.8	10.3	
29	26-Jun-18	2.970%	26-Jun-25	131.5	0.5	131.0	99.60	3.03%	131.5	131.5	131.5	4.0	
30	5-Apr-19	3.640%	5-Apr-49	102.5	0.6	101.9	99.43	3.67%	102.5	102.5	102.5	3.8	
31	5-Apr-19	3.020%	5-Apr-29	225.5	1.0	224.5	99.57	3.07%	225.5	225.5	225.5	6.9	
32	5-Apr-19	2.540%	5-Apr-24	287.0	1.1	285.9	99.62	2.62%	287.0	287.0	287.0	7.5	
33	28-Feb-20	2.710%	28-Feb-50	57.5	0.3	57.2	99.50	2.73%	57.5	57.5	57.5	1.6	
34	28-Feb-20	2.160%	28-Feb-30	76.7	0.3	76.4	99.58	2.21%	76.7	76.7	76.7	1.7	
35	28-Feb-20	1.760%	28-Feb-25	76.7	0.3	76.4	99.63	1.84%	76.7	76.7	76.7	1.4	
36	9-Oct-20	2.710%	28-Feb-50	76.0	0.2	75.8	99.68	2.73%	76.0	76.0	76.0	2.1	
37	9-Oct-20	1.690%	16-Jan-31	152.0	0.7	151.3	99.54	1.74%	152.0	152.0	152.0	2.6	
38	9-Oct-20	0.710%	16-Jan-23	76.0	0.6	75.4	99.27	1.04%	76.0	0.0	5.8	0.1	
39	15-Mar-21	2.860%	15-Mar-51	42.5	0.2	42.2	99.50	2.88%	42.5	42.5	42.5	1.2	Note 2
40	15-Jun-21	1.859%	15-Jun-31	42.5	0.2	42.2	99.50	1.91%	42.5	42.5	42.5	0.8	
41	15-Sep-21	1.327%	15-Sep-26	42.5	0.2	42.2	99.50	1.43%	42.5	42.5	42.5	0.6	
42	15-Mar-22	3.610%	15-Mar-52	136.7	0.7	136.0	99.50	3.64%	136.7	136.7	136.7	5.0	
43	15-Jun-22	2.609%	15-Jun-32	136.7	0.7	136.0	99.50	2.67%	136.7	136.7	136.7	3.6	
44	15-Sep-22	2.077%	15-Sep-27	136.7	0.7	136.0	99.50	2.18%	136.7	136.7	136.7	3.0	
45	15-Mar-23	4.010%	15-Mar-53	194.3	1.0	193.3	99.50	4.04%	0.0	194.3	149.5	6.0	
46	15-Jun-23	3.009%	15-Jun-33	194.3	1.0	193.3	99.50	3.07%	0.0	194.3	104.6	3.2	
47	15-Sep-23	2.477%	15-Sep-28	194.3	1.0	193.3	99.50	2.58%	0.0	194.3	59.8	1.5	
48		<b>Subtotal</b>							<u>4636.9</u>	<u>5143.9</u>	<u>4880.7</u>	<u>193.9</u>	
49		Treasury OM&A costs										1.2	
50		Other financing-related fees										3.4	
51		<b>Total</b>							<u>4636.9</u>	<u>5143.9</u>	<u>4880.7</u>	<u>198.5</u>	<u>4.07%</u>

Note 1 - All debt is 3rd party issued debt with fixed rates

Note 2 - \$152 million of the Oct 9th 2020 \$228 million 2.25 year 0.71% bond allocated to Dx is being used to finance the deemed short term debt amount equal to 4% of rate base.

HYDRO ONE NETWORKS INC.  
TRANSMISSION  
Cost of Long-Term Debt Capital  
Historic Year (2018)  
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	1/1/2017 Total Amount Outstanding at 12/31/2017		1/1/2018 Total Amount Outstanding at 12/31/2018		Projected Average Embedded Cost Rates
						Total Amount (\$Millions)	Per \$100 Principal Amount (Dollars)		at 12/31/2017 (\$Millions)	at 12/31/2018 (\$Millions)	Avg. Monthly Averages (\$Millions)	Carrying Cost (\$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	1.3	107.9	98.78	7.03%	109.3	109.3	109.3	7.7	
3	17-Sep-02	6.930%	1-Jun-32	58.0	(2.1)	60.1	103.57	6.65%	58.0	58.0	58.0	3.9	
4	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	
5	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	
6	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	
7	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	
8	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	
9	19-May-05	5.360%	20-May-36	228.9	8.7	220.2	96.19	5.62%	228.9	228.9	228.9	12.9	
10	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	
11	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	
12	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	
13	3-Mar-09	6.030%	3-Mar-39	195.0	1.2	193.8	99.41	6.07%	195.0	195.0	195.0	11.8	
14	16-Jul-09	5.490%	16-Jul-40	210.0	1.4	208.6	99.36	5.53%	210.0	210.0	210.0	11.6	
15	15-Mar-10	5.490%	24-Jul-40	120.0	(0.7)	120.7	100.58	5.45%	120.0	120.0	120.0	6.5	
16	15-Mar-10	4.400%	4-Jun-20	180.0	0.8	179.2	99.55	4.46%	180.0	180.0	180.0	8.0	
17	13-Sep-10	5.000%	19-Oct-46	150.0	(0.4)	150.4	100.25	4.98%	150.0	150.0	150.0	7.5	
18	26-Sep-11	4.390%	26-Sep-41	205.0	1.3	203.7	99.35	4.43%	205.0	205.0	205.0	9.1	
19	22-Dec-11	4.000%	22-Dec-51	70.0	0.4	69.6	99.47	4.03%	70.0	70.0	70.0	2.8	
20	13-Jan-12	3.200%	13-Jan-22	154.0	0.8	153.2	99.47	3.26%	154.0	154.0	154.0	5.0	
21	22-May-12	3.200%	13-Jan-22	165.0	(1.6)	166.6	100.97	3.08%	165.0	165.0	165.0	5.1	
22	22-May-12	4.000%	22-Dec-51	68.8	0.3	68.4	99.51	4.02%	68.8	68.8	68.8	2.8	
23	31-Jul-12	3.790%	31-Jul-62	52.5	0.3	52.2	99.47	3.81%	52.5	52.5	52.5	2.0	
24	16-Aug-12	3.790%	31-Jul-62	141.0	1.1	139.9	99.20	3.83%	141.0	141.0	141.0	5.4	
25	9-Oct-13	4.590%	9-Oct-43	239.3	1.4	237.9	99.42	4.63%	239.3	239.3	239.3	11.1	
26	9-Oct-13	2.780%	9-Oct-18	412.5	1.7	410.8	99.59	2.87%	412.5	0.0	317.3	9.1	
27	29-Jan-14	4.290%	29-Jan-64	30.0	0.2	29.8	99.44	4.32%	30.0	30.0	30.0	1.3	
28	6-Jun-14	4.170%	6-Jun-44	198.0	1.2	196.8	99.40	4.21%	198.0	198.0	198.0	8.3	
29	24-Feb-16	3.910%	23-Feb-46	175.0	1.1	173.9	99.36	3.95%	175.0	175.0	175.0	6.9	
30	24-Feb-16	2.770%	24-Feb-26	245.0	1.1	243.9	99.56	2.82%	245.0	245.0	245.0	6.9	
31	24-Feb-16	1.840%	24-Feb-21	250.0	0.9	249.1	99.63	1.92%	250.0	250.0	250.0	4.8	
32	18-Nov-16	3.720%	18-Nov-47	270.0	1.4	268.7	99.50	3.75%	270.0	270.0	270.0	10.1	
33	26-Jun-18	2.970%	26-Jun-25	218.5	0.9	217.6	99.60	3.03%	0.0	218.5	117.7	3.6	
34	26-Jun-18	3.630%	25-Jun-49	468.2	2.4	465.8	99.48	3.66%	0.0	468.2	252.1	9.2	
35		<b>Subtotal</b>							<u>5084.1</u>	<u>5358.3</u>	<u>5358.7</u>	<u>244.8</u>	
36		Treasury OM&A costs										1.7	
37		Other financing-related fees										4.4	
38		<b>Total</b>							<u>5084.1</u>	<u>5358.3</u>	<u>5358.7</u>	<u>250.9</u>	<u>4.68%</u>

Note 1 - All debt is 3rd party issued debt with fixed rates

HYDRO ONE NETWORKS INC.  
TRANSMISSION  
Cost of Long-Term Debt Capital  
Historic Year (2019)  
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	1/1/2018		1/1/2019		Carrying Cost (\$Millions)	Projected Average Embedded Cost Rates
						Total Amount (\$Millions)	Per \$100 Principal Amount (Dollars)		Total Amount Outstanding at 12/31/18 (\$Millions)	Total Amount Outstanding at 12/31/19 (\$Millions)	Avg. Monthly Averages (\$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	1.3	107.9	98.78	7.03%	109.3	109.3	109.3	7.7		
3	17-Sep-02	6.930%	1-Jun-32	58.0	(2.1)	60.1	103.57	6.65%	58.0	58.0	58.0	3.9		
4	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		
5	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		
6	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		
7	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		
8	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		
9	19-May-05	5.360%	20-May-36	228.9	8.7	220.2	96.19	5.62%	228.9	228.9	228.9	12.9		
10	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		
11	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		
12	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		
13	3-Mar-09	6.030%	3-Mar-39	195.0	1.2	193.8	99.41	6.07%	195.0	195.0	195.0	11.8		
14	16-Jul-09	5.490%	16-Jul-40	210.0	1.4	208.6	99.36	5.53%	210.0	210.0	210.0	11.6		
15	15-Mar-10	5.490%	24-Jul-40	120.0	(0.7)	120.7	100.58	5.45%	120.0	120.0	120.0	6.5		
16	15-Mar-10	4.400%	4-Jun-20	180.0	0.8	179.2	99.55	4.46%	180.0	180.0	180.0	8.0		
17	13-Sep-10	5.000%	19-Oct-46	150.0	(0.4)	150.4	100.25	4.98%	150.0	150.0	150.0	7.5		
18	26-Sep-11	4.390%	26-Sep-41	205.0	1.3	203.7	99.35	4.43%	205.0	205.0	205.0	9.1		
19	22-Dec-11	4.000%	22-Dec-51	70.0	0.4	69.6	99.47	4.03%	70.0	70.0	70.0	2.8		
20	13-Jan-12	3.200%	13-Jan-22	154.0	0.8	153.2	99.47	3.26%	154.0	154.0	154.0	5.0		
21	22-May-12	3.200%	13-Jan-22	165.0	(1.6)	166.6	100.97	3.08%	165.0	165.0	165.0	5.1		
22	22-May-12	4.000%	22-Dec-51	68.8	0.3	68.4	99.51	4.02%	68.8	68.8	68.8	2.8		
23	31-Jul-12	3.790%	31-Jul-62	52.5	0.3	52.2	99.47	3.81%	52.5	52.5	52.5	2.0		
24	16-Aug-12	3.790%	31-Jul-62	141.0	1.1	139.9	99.20	3.83%	141.0	141.0	141.0	5.4		
25	9-Oct-13	4.590%	9-Oct-43	239.3	1.4	237.9	99.42	4.63%	239.3	239.3	239.3	11.1		
26	29-Jan-14	4.290%	29-Jan-64	30.0	0.2	29.8	99.44	4.32%	30.0	30.0	30.0	1.3		
27	6-Jun-14	4.170%	6-Jun-44	198.0	1.2	196.8	99.40	4.21%	198.0	198.0	198.0	8.3		
28	24-Feb-16	3.910%	23-Feb-46	175.0	1.1	173.9	99.4	3.95%	175.0	175.0	175.0	6.9		
29	24-Feb-16	2.770%	24-Feb-26	245.0	1.1	243.9	99.6	2.82%	245.0	245.0	245.0	6.9		
30	24-Feb-16	1.840%	24-Feb-21	250.0	0.9	249.1	99.6	1.92%	250.0	250.0	250.0	4.8		
31	18-Nov-16	3.720%	18-Nov-47	270.0	1.4	268.7	99.5	3.75%	270.0	270.0	270.0	10.1		
32	26-Jun-18	2.970%	26-Jun-25	218.5	0.9	217.6	99.60	3.03%	218.5	218.5	218.5	6.6		
33	26-Jun-18	3.630%	25-Jun-49	468.2	2.4	465.8	99.48	3.66%	468.2	468.2	468.2	17.1		
34	5-Apr-19	2.540%	5-Apr-24	413.0	1.6	411.4	99.62	2.62%	0.0	413.0	285.9	7.5		
35	5-Apr-19	3.020%	5-Apr-29	324.5	1.4	323.1	99.57	3.07%	0.0	324.5	224.7	6.9		
36	5-Apr-19	3.640%	5-Apr-50	147.5	0.8	146.7	99.43	3.67%	0.0	147.5	102.1	3.7		
37	<b>Subtotal</b>									5358.3	6243.3	5971.0	264.8	
38	Treasury OM&A costs												1.8	
39	Other financing-related fees												4.0	
40	<b>Total</b>									<u>5358.3</u>	<u>6243.3</u>	<u>5971.0</u>	<u>270.6</u>	<u>4.53%</u>

Note 1 - All debt is 3rd party issued debt with fixed rates

HYDRO ONE NETWORKS INC.  
TRANSMISSION  
Cost of Long-Term Debt Capital  
Historic Year (2020)  
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	1/1/2019 1/1/2020 Total Amount Outstanding		1/1/2020 Avg. Monthly Averages (\$Millions)	Carrying Cost (\$Millions)	Projected Average Embedded Cost Rates
						Total Amount (\$Millions)	Per \$100 Principal (Dollars)		at 12/31/19 (\$Millions)	at 12/31/20 (\$Millions)			
1	3-Jun-00	7.350%	3-Jun-30	278.4	4.5	273.9	98.37	7.49%	278.4	278.4	278.400	20.8	
2	22-Jun-01	6.930%	1-Jun-32	109.3	1.3	107.9	98.78	7.03%	109.3	109.3	109.272	7.7	
3	17-Sep-02	6.930%	1-Jun-32	58.0	(2.1)	60.1	103.57	6.65%	58.0	58.0	58.000	3.9	
4	31-Jan-03	6.350%	31-Jan-34	126.0	1.0	125.0	99.21	6.41%	126.0	126.0	126.000	8.1	
5	22-Apr-03	6.590%	22-Apr-43	145.0	1.1	143.9	99.26	6.64%	145.0	145.0	145.000	9.6	
6	25-Jun-04	6.350%	31-Jan-34	72.0	(0.2)	72.2	100.22	6.33%	72.0	72.0	72.000	4.6	
7	20-Aug-04	6.590%	22-Apr-43	39.0	(3.1)	42.1	107.89	6.06%	39.0	39.0	39.000	2.4	
8	24-Aug-04	6.350%	31-Jan-34	39.0	(1.4)	40.4	103.48	6.09%	39.0	39.0	39.000	2.4	
9	19-May-05	5.360%	20-May-36	228.9	8.7	220.2	96.19	5.62%	228.9	228.9	228.900	12.9	
10	24-Apr-06	5.360%	20-May-36	187.5	2.5	185.0	98.68	5.45%	187.5	187.5	187.500	10.2	
11	19-Oct-06	5.000%	19-Oct-46	30.0	0.2	29.8	99.29	5.04%	30.0	30.0	30.000	1.5	
12	13-Mar-07	4.890%	13-Mar-37	240.0	1.3	238.7	99.45	4.93%	240.0	240.0	240.000	11.8	
13	3-Mar-09	6.030%	3-Mar-39	195.0	1.2	193.8	99.41	6.07%	195.0	195.0	195.000	11.8	
14	16-Jul-09	5.490%	16-Jul-40	210.0	1.4	208.6	99.36	5.53%	210.0	210.0	210.000	11.6	
15	15-Mar-10	5.490%	24-Jul-40	120.0	(0.7)	120.7	100.58	5.45%	120.0	120.0	120.000	6.5	
16	15-Mar-10	4.400%	4-Jun-20	180.0	0.8	179.2	99.55	4.46%	180.0	0.0	83.1	3.7	
17	13-Sep-10	5.000%	19-Oct-46	150.0	(0.4)	150.4	100.25	4.98%	150.0	150.0	150.000	7.5	
18	26-Sep-11	4.390%	26-Sep-41	205.0	1.3	203.7	99.35	4.43%	205.0	205.0	205.000	9.1	
19	22-Dec-11	4.000%	22-Dec-51	70.0	0.4	69.6	99.47	4.03%	70.0	70.0	70.000	2.8	
20	13-Jan-12	3.200%	13-Jan-22	154.0	0.8	153.2	99.47	3.26%	154.0	154.0	154.000	5.0	
21	22-May-12	3.200%	13-Jan-22	165.0	(1.6)	166.6	100.97	3.08%	165.0	165.0	165.000	5.1	
22	22-May-12	4.000%	22-Dec-51	68.8	0.3	68.4	99.51	4.02%	68.8	68.8	68.800	2.8	
23	31-Jul-12	3.790%	31-Jul-62	52.5	0.3	52.2	99.47	3.81%	52.5	52.5	52.500	2.0	
24	16-Aug-12	3.790%	31-Jul-62	141.0	1.1	139.9	99.20	3.83%	141.0	141.0	141.000	5.4	
25	9-Oct-13	4.590%	9-Oct-43	239.3	1.4	237.9	99.42	4.63%	239.3	239.3	239.300	11.1	
26	29-Jan-14	4.290%	29-Jan-64	30.0	0.2	29.8	99.44	4.32%	30.0	30.0	30.000	1.3	
27	6-Jun-14	4.190%	6-Jun-44	198.0	1.2	196.8	99.40	4.23%	198.0	198.0	198.000	8.4	
28	24-Feb-16	3.910%	24-Feb-46	175.0	1.1	173.9	99.36	3.95%	175.0	175.0	175.000	6.9	
29	24-Feb-16	2.770%	24-Feb-26	245.0	1.1	243.9	99.56	2.82%	245.0	245.0	245.000	6.9	
30	24-Feb-16	1.840%	24-Feb-21	250.0	0.9	249.1	99.63	1.92%	250.0	250.0	250.000	4.8	
31	18-Nov-16	3.720%	18-Nov-47	270.0	1.4	268.7	99.50	3.75%	270.0	270.0	270.000	10.1	
32	26-Jun-18	3.630%	25-Jun-49	468.0	2.4	465.6	99.48	3.66%	468.0	468.0	468.000	17.1	
33	26-Jun-18	2.970%	26-Jun-25	218.4	0.9	217.5	99.60	3.03%	218.4	218.4	218.400	6.6	
34	5-Apr-19	3.640%	5-Apr-49	147.5	0.8	146.7	99.43	3.67%	147.5	147.5	147.500	5.4	
35	5-Apr-19	3.020%	5-Apr-29	324.5	1.4	323.1	99.57	3.07%	324.5	324.5	324.500	10.0	
36	5-Apr-19	2.540%	5-Apr-24	413.0	1.6	411.4	99.62	2.62%	413.0	413.0	413.000	10.8	
37	28-Feb-20	1.760%	28-Feb-25	197.2	0.7	196.5	99.63	1.84%	0.0	197.2	166.9	3.1	
38	28-Feb-20	2.160%	28-Feb-30	197.2	0.8	196.4	99.58	2.21%	0.0	197.2	166.9	3.7	
39	28-Feb-20	2.710%	28-Feb-50	147.9	0.9	147.0	99.42	2.74%	0.0	147.9	125.1	3.4	
40	9-Oct-20	0.710%	16-Jan-23	124.0	0.9	123.1	99.27	1.04%	0.0	124.0	28.6	0.3	
41	9-Oct-20	1.690%	16-Jan-31	248.0	1.2	246.8	99.54	1.74%	0.0	248.0	57.2	1.0	Note 2
42	9-Oct-20	2.710%	28-Feb-50	124.0	0.4	123.6	99.68	2.73%	0.0	124.0	28.6	0.8	
43		<b>Subtotal</b>							6243.0	7101.3	6719.4	280.8	
44		Treasury OM&A costs										1.9	
45		Other financing-related fees										4.4	
46		<b>Total</b>							6243.0	7101.3	6719.4	287.1	4.27%

Note 1 - All debt is 3rd party issued debt with fixed rates

Note 2 - \$248 million of the Oct 9th 2020 \$372 million 2.25 year 0.71% bond allocated to Tx is being used to finance the deemed short term debt amount equal to 4% of rate base.

HYDRO ONE NETWORKS INC.  
TRANSMISSION  
Cost of Long-Term Debt Capital  
Test Year (2021)  
Year ending December 31

Line No.	Offering Date	Coupon Rate	Maturity Date	Principal Amount Offered (\$Millions)	Premium Discount and Expenses (\$Millions)	Net Capital Total Amount (\$Millions)	Employed Per \$100 Principal (Dollars)	Effective Cost Rate	1/1/2021 Total Amount Outstanding at		1/1/2021 Avg. Monthly Averages (\$Millions)	Carrying Cost (\$Millions)	Projected Average Embedded Cost Rates
									12/31/20 (\$Millions)	12/31/21 (\$Millions)			
1	3-Jun-00	7.350%	3-Jun-30	278.4	4.5	273.9	98.37	7.49%	278.4	278.4	278.400	20.8	
2	22-Jun-01	6.930%	1-Jun-32	109.3	1.3	107.9	98.78	7.03%	109.3	109.3	109.272	7.7	
3	17-Sep-02	6.930%	1-Jun-32	58.0	(2.1)	60.1	103.57	6.65%	58.0	58.0	58.000	3.9	
4	31-Jan-03	6.350%	31-Jan-34	126.0	1.0	125.0	99.21	6.41%	126.0	126.0	126.000	8.1	
5	22-Apr-03	6.590%	22-Apr-43	145.0	1.1	143.9	99.26	6.64%	145.0	145.0	145.000	9.6	
6	25-Jun-04	6.350%	31-Jan-34	72.0	(0.2)	72.2	100.22	6.33%	72.0	72.0	72.000	4.6	
7	20-Aug-04	6.590%	22-Apr-43	39.0	(3.1)	42.1	107.89	6.06%	39.0	39.0	39.000	2.4	
8	24-Aug-04	6.350%	31-Jan-34	39.0	(1.4)	40.4	103.48	6.09%	39.0	39.0	39.000	2.4	
9	19-May-05	5.360%	20-May-36	228.9	8.7	220.2	96.19	5.62%	228.9	228.9	228.900	12.9	
10	24-Apr-06	5.360%	20-May-36	187.5	2.5	185.0	98.68	5.45%	187.5	187.5	187.500	10.2	
11	19-Oct-06	5.000%	19-Oct-46	30.0	0.2	29.8	99.29	5.04%	30.0	30.0	30.000	1.5	
12	13-Mar-07	4.890%	13-Mar-37	240.0	1.3	238.7	99.45	4.93%	240.0	240.0	240.000	11.8	
13	3-Mar-09	6.030%	3-Mar-39	195.0	1.2	193.8	99.41	6.07%	195.0	195.0	195.000	11.8	
14	16-Jul-09	5.490%	16-Jul-40	210.0	1.4	208.6	99.36	5.53%	210.0	210.0	210.000	11.6	
15	15-Mar-10	5.490%	24-Jul-40	120.0	(0.7)	120.7	100.58	5.45%	120.0	120.0	120.000	6.5	
16	13-Sep-10	5.000%	19-Oct-46	150.0	(0.4)	150.4	100.25	4.98%	150.0	150.0	150.000	7.5	
17	26-Sep-11	4.390%	26-Sep-41	205.0	1.3	203.7	99.35	4.43%	205.0	205.0	205.000	9.1	
18	22-Dec-11	4.000%	22-Dec-51	70.0	0.4	69.6	99.47	4.03%	70.0	70.0	70.000	2.8	
19	13-Jan-12	3.200%	13-Jan-22	154.0	0.8	153.2	99.47	3.26%	154.0	154.0	154.000	5.0	
20	22-May-12	3.200%	13-Jan-22	165.0	(1.6)	166.6	100.97	3.08%	165.0	165.0	165.000	5.1	
21	22-May-12	4.000%	22-Dec-51	68.8	0.3	68.4	99.51	4.02%	68.8	68.8	68.800	2.8	
22	31-Jul-12	3.790%	31-Jul-62	52.5	0.3	52.2	99.47	3.81%	52.5	52.5	52.500	2.0	
23	16-Aug-12	3.790%	31-Jul-62	141.0	1.1	139.9	99.20	3.83%	141.0	141.0	141.000	5.4	
24	9-Oct-13	4.590%	9-Oct-43	239.3	1.4	237.9	99.42	4.63%	239.3	239.3	239.300	11.1	
25	29-Jan-14	4.310%	29-Jan-64	30.0	0.2	29.8	99.44	4.34%	30.0	30.0	30.000	1.3	
26	3-Jun-14	4.190%	3-Jun-44	198.0	1.2	196.8	99.40	4.23%	198.0	198.0	198.000	8.4	
27	24-Feb-16	3.910%	24-Feb-46	175.0	1.1	173.9	99.36	3.95%	175.0	175.0	175.000	6.9	
28	24-Feb-16	2.770%	24-Feb-26	245.0	1.1	243.9	99.56	2.82%	245.0	245.0	245.000	6.9	
29	24-Feb-16	1.840%	24-Feb-21	250.0	0.9	249.1	99.63	1.92%	250.0	0.0	38.500	0.7	
30	18-Nov-16	3.720%	18-Nov-47	270.0	1.4	268.7	99.50	3.75%	270.0	270.0	270.000	10.1	
31	26-Jun-18	3.630%	25-Jun-49	468.0	2.4	465.6	99.48	3.66%	468.0	468.0	468.000	17.1	
32	26-Jun-18	2.970%	26-Jun-25	218.4	0.9	217.5	99.60	3.03%	218.4	218.4	218.400	6.6	
33	5-Apr-19	3.640%	5-Apr-49	147.5	0.8	146.7	99.43	3.67%	147.5	147.5	147.500	5.4	
34	5-Apr-19	3.020%	5-Apr-29	324.5	1.4	323.1	99.57	3.07%	324.5	324.5	324.500	10.0	
35	5-Apr-19	2.540%	5-Apr-24	413.0	1.6	411.4	99.62	2.62%	413.0	413.0	413.000	10.8	
36	28-Feb-20	2.710%	28-Feb-50	147.9	0.9	147.0	99.42	2.74%	147.9	147.9	147.900	4.0	
37	28-Feb-20	2.160%	28-Feb-30	197.2	0.8	196.4	99.58	2.21%	197.2	197.2	197.200	4.4	
38	28-Feb-20	1.760%	28-Feb-25	197.2	0.7	196.5	99.63	1.84%	197.2	197.2	197.200	3.6	
39	9-Oct-20	2.710%	28-Feb-50	124.0	0.4	123.6	99.68	2.73%	124.0	124.0	124.000	3.4	
40	9-Oct-20	1.690%	16-Jan-31	248.0	1.2	246.8	99.54	1.74%	248.0	248.0	248.000	4.3	
41	9-Oct-20	0.710%	16-Jan-23	124.0	0.9	123.1	99.27	1.04%	124.0	124.0	124.000	1.3	
42	15-Mar-21	2.860%	15-Mar-51	128.3	0.6	127.7	99.50	2.88%	0.0	128.3	98.700	2.8	Note 2
43	15-Jun-21	1.859%	15-Jun-31	128.3	0.6	127.7	99.50	1.91%	0.0	128.3	69.100	1.3	
44	15-Sep-21	1.327%	15-Sep-26	128.3	0.6	127.7	99.50	1.43%	0.0	128.3	39.500	0.6	
45		<b>Subtotal</b>							<u>7101.3</u>	<u>7236.2</u>	<u>7097.0</u>	<u>286.6</u>	
46		Treasury OM&A costs										1.9	
47		Other financing-related fees										5.0	
48		<b>Total</b>							<u>7101.3</u>	<u>7236.2</u>	<u>7097.0</u>	<u>293.4</u>	<u>4.14%</u>

Note 1 - All debt is 3rd party issued debt with fixed rates

Note 2 - \$248 million of the Oct 9th 2020 \$372 million 2.25 year 0.71% bond allocated to Tx is being used to finance the deemed short term debt amount equal to 4% of rate base.

HYDRO ONE NETWORKS INC.  
TRANSMISSION  
Cost of Long-Term Debt Capital  
Test Year (2022)  
Year ending December 31

Line No.	Offering Date	Coupon Rate	Maturity Date	Principal Amount Offered (\$Millions)	Premium Discount and Expenses (\$Millions)	Net Capital Total Amount (\$Millions)	Employed Per \$100 Principal (Dollars)	Effective Cost Rate	1/1/2021	1/1/2022	1/1/2022 Avg. Monthly Averages (\$Millions)	Carrying Cost (\$Millions)	Projected Average Embedded Cost Rates
									Total Amount Outstanding at 12/31/21 (\$Millions)	Total Amount Outstanding at 12/31/22 (\$Millions)			
1	3-Jun-00	7.350%	3-Jun-30	278.4	4.5	273.9	98.37	7.49%	278.4	278.4	278.400	20.8	
2	22-Jun-01	6.930%	1-Jun-32	109.3	1.3	107.9	98.78	7.03%	109.3	109.3	109.272	7.7	
3	17-Sep-02	6.930%	1-Jun-32	58.0	(2.1)	60.1	103.57	6.65%	58.0	58.0	58.000	3.9	
4	31-Jan-03	6.350%	31-Jan-34	126.0	1.0	125.0	99.21	6.41%	126.0	126.0	126.000	8.1	
5	22-Apr-03	6.590%	22-Apr-43	145.0	1.1	143.9	99.26	6.64%	145.0	145.0	145.000	9.6	
6	25-Jun-04	6.350%	31-Jan-34	72.0	(0.2)	72.2	100.22	6.33%	72.0	72.0	72.000	4.6	
7	20-Aug-04	6.590%	22-Apr-43	39.0	(3.1)	42.1	107.89	6.06%	39.0	39.0	39.000	2.4	
8	24-Aug-04	6.350%	31-Jan-34	39.0	(1.4)	40.4	103.48	6.09%	39.0	39.0	39.000	2.4	
9	19-May-05	5.360%	20-May-36	228.9	8.7	220.2	96.19	5.62%	228.9	228.9	228.900	12.9	
10	24-Apr-06	5.360%	20-May-36	187.5	2.5	185.0	98.68	5.45%	187.5	187.5	187.500	10.2	
11	19-Oct-06	5.000%	19-Oct-46	30.0	0.2	29.8	99.29	5.04%	30.0	30.0	30.000	1.5	
12	13-Mar-07	4.890%	13-Mar-37	240.0	1.3	238.7	99.45	4.93%	240.0	240.0	240.000	11.8	
13	3-Mar-09	6.030%	3-Mar-39	195.0	1.2	193.8	99.41	6.07%	195.0	195.0	195.000	11.8	
14	16-Jul-09	5.490%	16-Jul-40	210.0	1.4	208.6	99.36	5.53%	210.0	210.0	210.000	11.6	
15	15-Mar-10	5.490%	24-Jul-40	120.0	(0.7)	120.7	100.58	5.45%	120.0	120.0	120.000	6.5	
16	13-Sep-10	5.000%	19-Oct-46	150.0	(0.4)	150.4	100.25	4.98%	150.0	150.0	150.000	7.5	
17	26-Sep-11	4.390%	26-Sep-41	205.0	1.3	203.7	99.35	4.43%	205.0	205.0	205.000	9.1	
18	22-Dec-11	4.000%	22-Dec-51	70.0	0.4	69.6	99.47	4.03%	70.0	70.0	70.000	2.8	
19	13-Jan-12	3.200%	13-Jan-22	154.0	0.8	153.2	99.47	3.26%	154.0	0.0	11.8	0.4	
20	22-May-12	3.200%	13-Jan-22	165.0	(1.6)	166.6	100.97	3.08%	165.0	0.0	12.7	0.4	
21	22-May-12	4.000%	22-Dec-51	68.8	0.3	68.4	99.51	4.02%	68.8	68.8	68.800	2.8	
22	31-Jul-12	3.790%	31-Jul-62	52.5	0.3	52.2	99.47	3.81%	52.5	52.5	52.500	2.0	
23	16-Aug-12	3.790%	31-Jul-62	141.0	1.1	139.9	99.20	3.83%	141.0	141.0	141.000	5.4	
24	9-Oct-13	4.590%	9-Oct-43	239.3	1.4	237.9	99.42	4.63%	239.3	239.3	239.300	11.1	
25	29-Jan-14	4.310%	29-Jan-64	30.0	0.2	29.8	99.44	4.34%	30.0	30.0	30.000	1.3	
26	3-Jun-14	4.190%	3-Jun-44	198.0	1.2	196.8	99.40	4.23%	198.0	198.0	198.000	8.4	
27	24-Feb-16	3.910%	24-Feb-46	175.0	1.1	173.9	99.36	3.95%	175.0	175.0	175.000	6.9	
28	24-Feb-16	2.770%	24-Feb-26	245.0	1.1	243.9	99.56	2.82%	245.0	245.0	245.000	6.9	
29	18-Nov-16	3.720%	18-Nov-47	270.0	1.4	268.7	99.50	3.75%	270.0	270.0	270.000	10.1	
30	26-Jun-18	3.630%	25-Jun-49	468.0	2.4	465.6	99.48	3.66%	468.0	468.0	468.000	17.1	
31	26-Jun-18	2.970%	26-Jun-25	218.4	0.9	217.5	99.60	3.03%	218.4	218.4	218.400	6.6	
32	5-Apr-19	3.640%	5-Apr-49	147.5	0.8	146.7	99.43	3.67%	147.5	147.5	147.500	5.4	
33	5-Apr-19	3.020%	5-Apr-29	324.5	1.4	323.1	99.57	3.07%	324.5	324.5	324.500	10.0	
34	5-Apr-19	2.540%	5-Apr-24	413.0	1.6	411.4	99.62	2.62%	413.0	413.0	413.000	10.8	
35	28-Feb-20	2.710%	28-Feb-50	147.9	0.9	147.0	99.42	2.74%	147.9	147.9	147.900	4.0	
36	28-Feb-20	2.160%	28-Feb-30	197.2	0.8	196.4	99.58	2.21%	197.2	197.2	197.200	4.4	
37	28-Feb-20	1.760%	28-Feb-25	197.2	0.7	196.5	99.63	1.84%	197.2	197.2	197.200	3.6	
38	9-Oct-20	2.710%	28-Feb-50	124.0	0.4	123.6	99.68	2.73%	124.0	124.0	124.000	3.4	
39	9-Oct-20	1.690%	16-Jan-31	248.0	1.2	246.8	99.54	1.74%	248.0	248.0	248.000	4.3	
40	9-Oct-20	0.710%	16-Jan-23	124.0	0.9	123.1	99.27	1.04%	124.0	124.0	124.000	1.3	Note 2
41	15-Mar-21	2.860%	15-Mar-51	128.3	0.6	127.7	99.50	2.88%	128.3	128.3	128.300	3.7	
42	15-Jun-21	1.859%	15-Jun-31	128.3	0.6	127.7	99.50	1.91%	128.3	128.3	128.300	2.5	
43	15-Sep-21	1.327%	15-Sep-26	128.3	0.6	127.7	99.50	1.43%	128.3	128.3	128.300	1.8	
44	15-Mar-22	3.610%	15-Mar-52	239.6	1.2	238.4	99.50	3.64%	0.0	239.6	184.3	6.7	
45	15-Jun-22	2.609%	15-Jun-32	239.6	1.2	238.4	99.50	2.67%	0.0	239.6	129.0	3.4	
46	15-Sep-22	2.077%	15-Sep-27	239.6	1.2	238.4	99.50	2.18%	0.0	239.6	73.7	1.6	
47		<b>Subtotal</b>							<u>7236.2</u>	<u>7635.9</u>	<u>7328.7</u>	<u>291.5</u>	
48		Treasury OM&A costs										2.0	
49		Other financing-related fees										5.4	
50		<b>Total</b>							<u>7236.2</u>	<u>7635.9</u>	<u>7328.7</u>	<u>298.9</u>	<u>4.08%</u>

Note 1 - All debt is 3rd party issued debt with fixed rates

Note 2 - \$248 million of the Oct 9th 2020 \$372 million 2.25 year 0.71% bond allocated to Tx is being used to finance the deemed short term debt amount equal to 4% of rate base.

HYDRO ONE NETWORKS INC.  
TRANSMISSION  
Cost of Long-Term Debt Capital  
Test Year (2023)  
Year ending December 31

Line No.	Offering Date	Coupon Rate	Maturity Date	Principal Amount Offered (\$Millions)	Premium Discount and Expenses (\$Millions)	Net Capital Employed Total Amount (\$Millions)	Per \$100 Principal Amount (Dollars)	Effective Cost Rate	11/2022 Total Amount Outstanding at		1/1/2023 Avg. Monthly Averages (\$Millions)	Carrying Cost (\$Millions)	Projected Average Embedded Cost Rates
									12/31/22 (\$Millions)	12/31/23 (\$Millions)			
1	3-Jun-00	7.350%	3-Jun-30	278.4	4.5	273.9	98.37	7.49%	278.4	278.4	278.400	20.8	
2	22-Jun-01	6.930%	1-Jun-32	109.3	1.3	107.9	98.78	7.03%	109.3	109.3	109.272	7.7	
3	17-Sep-02	6.930%	1-Jun-32	58.0	(2.1)	60.1	103.57	6.65%	58.0	58.0	58.000	3.9	
4	31-Jan-03	6.350%	31-Jan-34	126.0	1.0	125.0	99.21	6.41%	126.0	126.0	126.000	8.1	
5	22-Apr-03	6.590%	22-Apr-43	145.0	1.1	143.9	99.26	6.64%	145.0	145.0	145.000	9.6	
6	25-Jun-04	6.350%	31-Jan-34	72.0	(0.2)	72.2	100.22	6.33%	72.0	72.0	72.000	4.6	
7	20-Aug-04	6.590%	22-Apr-43	39.0	(3.1)	42.1	107.89	6.06%	39.0	39.0	39.000	2.4	
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9	19-May-05	5.360%	20-May-36	228.9	8.7	220.2	96.19	5.62%	228.9	228.9	228.900	12.9	
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11	19-Oct-06	5.000%	19-Oct-46	30.0	0.2	29.8	99.29	5.04%	30.0	30.0	30.000	1.5	
12	13-Mar-07	4.890%	13-Mar-37	240.0	1.3	238.7	99.45	4.93%	240.0	240.0	240.000	11.8	
13	3-Mar-09	6.030%	3-Mar-39	195.0	1.2	193.8	99.41	6.07%	195.0	195.0	195.000	11.8	
14	16-Jul-09	5.490%	16-Jul-40	210.0	1.4	208.6	99.36	5.53%	210.0	210.0	210.000	11.6	
15	15-Mar-10	5.490%	24-Jul-40	120.0	(0.7)	120.7	100.58	5.45%	120.0	120.0	120.000	6.5	
16	13-Sep-10	5.000%	19-Oct-46	150.0	(0.4)	150.4	100.25	4.98%	150.0	150.0	150.000	7.5	
17	26-Sep-11	4.390%	26-Sep-41	205.0	1.3	203.7	99.35	4.43%	205.0	205.0	205.000	9.1	
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19	22-May-12	4.000%	22-Dec-51	68.8	0.3	68.4	99.51	4.02%	68.8	68.8	68.800	2.8	
20	31-Jul-12	3.790%	31-Jul-62	52.5	0.3	52.2	99.47	3.81%	52.5	52.5	52.500	2.0	
21	16-Aug-12	3.790%	31-Jul-62	141.0	1.1	139.9	99.20	3.83%	141.0	141.0	141.000	5.4	
22	9-Oct-13	4.590%	9-Oct-43	239.3	1.4	237.9	99.42	4.63%	239.3	239.3	239.300	11.1	
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31	5-Apr-19	3.020%	5-Apr-29	324.5	1.4	323.1	99.57	3.07%	324.5	324.5	324.500	10.0	
32	5-Apr-19	2.540%	5-Apr-24	413.0	1.6	411.4	99.62	2.62%	413.0	413.0	413.000	10.8	
33	28-Feb-20	2.710%	28-Feb-50	147.9	0.9	147.0	99.42	2.74%	147.9	147.9	147.900	4.0	
34	28-Feb-20	2.160%	28-Feb-30	197.2	0.8	196.4	99.58	2.21%	197.2	197.2	197.200	4.4	
35	28-Feb-20	1.760%	28-Feb-25	197.2	0.7	196.5	99.63	1.84%	197.2	197.2	197.200	3.6	
36	9-Oct-20	2.710%	28-Feb-50	124.0	0.4	123.6	99.68	2.73%	124.0	124.0	124.000	3.4	
37	9-Oct-20	1.690%	16-Jan-31	248.0	1.2	246.8	99.54	1.74%	248.0	248.0	248.000	4.3	
38	9-Oct-20	0.710%	16-Jan-23	124.0	0.9	123.1	99.27	1.04%	124.0	0.0	9.5	0.1	
39	15-Mar-21	2.860%	15-Mar-51	128.3	0.6	127.7	99.50	2.88%	128.3	128.3	128.300	3.7	Note 2
40	15-Jun-21	1.859%	15-Jun-31	128.3	0.6	127.7	99.50	1.91%	128.3	128.3	128.300	2.5	
41	15-Sep-21	1.327%	15-Sep-26	128.3	0.6	127.7	99.50	1.43%	128.3	128.3	128.300	1.8	
42	15-Mar-22	3.610%	15-Mar-52	239.6	1.2	238.4	99.50	3.64%	239.6	239.6	239.600	8.7	
43	15-Jun-22	2.609%	15-Jun-32	239.6	1.2	238.4	99.50	2.67%	239.6	239.6	239.600	6.4	
44	15-Sep-22	2.077%	15-Sep-27	239.6	1.2	238.4	99.50	2.18%	239.6	239.6	239.600	5.2	
45	15-Mar-23	4.010%	15-Mar-53	218.1	1.1	217.0	99.50	4.04%	0.0	218.1	167.8	6.8	
46	15-Jun-23	3.009%	15-Jun-33	218.1	1.1	217.0	99.50	3.07%	0.0	218.1	117.4	3.6	
47	15-Sep-23	2.477%	15-Sep-28	218.1	1.1	217.0	99.50	2.58%	0.0	218.1	67.1	1.7	
48		<b>Subtotal</b>							<u>7635.9</u>	<u>8166.2</u>	<u>7873.7</u>	<u>310.2</u>	
49		Treasury OM&A costs										2.1	
50		Other financing-related fees										5.8	
51		<b>Total</b>							<u>7635.9</u>	<u>8166.2</u>	<u>7873.7</u>	<u>318.2</u>	<u>4.04%</u>

Note 1 - All debt is 3rd party issued debt with fixed rates

Note 2 - \$248 million of the Oct 9th 2020 \$372 million 2.25 year 0.71% bond allocated to Tx is being used to finance the deemed short term debt amount equal to 4% of rate base.