



## **HYDRO ONE INC.**

### **Short Term Promissory Notes**

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### **INFORMATION MEMORANDUM**

The Short Term Promissory Notes offered hereby have not been and will not be registered under the United States Securities Act of 1933, as amended (the “**1933 Act**”) and may not be offered or sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, “U.S. Persons” (as such term is defined in Regulation “S” under the 1933 Act).

The Short Term Promissory Notes will not be sold outside of Canada or to any person who is not resident in Canada or to any person purchasing for resale to, or for the account or benefit of, any person who is not resident in Canada.

This Information Memorandum does not in any way obligate Hydro One Inc. to accept an offer to purchase any of the Short Term Promissory Notes. No person has been authorized to give any information or to make any representation not contained in this Information Memorandum and, if given or made, such information or representation must not be relied upon as having been authorized. This Information Memorandum supersedes in its entirety the previous Information Memorandum of Hydro One Inc. dated October 9, 2015.

**March 25, 2019**

## HYDRO ONE INC.

Hydro One Inc. (the “**Corporation**”) is Ontario’s largest electricity transmission and distribution utility. The Corporation principally transports electricity generated by other participants in the electricity industry. The Corporation is one of the successor corporations to Ontario Hydro, which was the primary provider of both electricity generation and transmission services and a major provider of distribution services in Ontario from 1906 until 1999.

Through its subsidiaries, the Corporation owns and operates substantially all of Ontario’s electricity transmission network and is the largest electricity distributor in Ontario by number of customers. Hydro One owns and operates approximately 30,000 circuit kilometres of high-voltage transmission lines and approximately 123,000 circuit kilometres of primary low-voltage distribution lines. The Corporation’s transmission and distribution businesses are regulated by the Ontario Energy Board.

The Corporation was incorporated as Ontario Hydro Services Company Inc. under the *Business Corporations Act* (Ontario) on December 1, 1998. On May 1, 2000, the Corporation changed its name to Hydro One Inc. On November 5, 2015 the Corporation’s parent entity, Hydro One Limited, completed its initial public offering to become a publicly traded company listed on the TSX. The Corporation’s registered and principal office is located at 483 Bay Street, South Tower, 8<sup>th</sup> Floor, Toronto, Ontario M5G 2P5.

The Corporation is not an agent of the Province of Ontario (the “**Province**”). Accordingly, the Notes will not be obligations of nor will they be guaranteed by the Province.

### DESCRIPTION OF THE SHORT TERM PROMISSORY NOTES

**Principal Amount:** The maximum aggregate principal amount of short term promissory notes (the “**Notes**”) outstanding at any one time will not exceed \$2,300,000,000 in Canadian currency or the equivalent thereof in other currencies at the time of issue.

**Purpose:** The net proceeds from the sale of the Notes will be used by the Corporation for general corporate purposes.

**Form of Notes:** The Notes may be issued at the option of the Corporation in (a) negotiable form, payable to bearer or to the order of a purchaser thereof, or (b) “book entry only” form (the “**Book Entry Notes**”), in which case such Notes must be purchased or transferred through participants (“**Participants**”) in CDS Clearing and Depository Services Inc. (“**CDS**”) debt clearing service, which Participants include securities brokers and dealers, and banks and trust companies. Indirect access to the CDS book entry system is also available to other institutions (“**Indirect Participants**”) that maintain custodial relationships with a Participant, either directly or indirectly.

The Notes may be interest bearing or issued at a discount to mature at the principal amount.

No holder of Book Entry Notes will be entitled to a certificate or other instrument from the Corporation or CDS evidencing that person’s interest in or ownership of such Note, or will be shown on the records maintained by CDS, except through an agent of the holder who is a Participant or an Indirect Participant of CDS. Registration of interests in and transfers of Book Entry Notes will only be made through the debt clearing service of CDS. All payments on Book Entry Notes by the Corporation will be made by the Corporation to the Corporation’s authorized issuing agent, which will then make payments to CDS, and such payments will be forwarded by CDS to its Participants, by Participants to holders of Book Entry Notes or, where applicable, by Participants to Indirect Participants and thereafter to holders of Book Entry Notes.

Neither the Corporation nor the registered dealers will assume any liability for: (a) any aspect of the records relating to the beneficial ownership of the Book Entry Notes held by CDS or the payments relating thereto; (b) maintaining, supervising or

reviewing any records relating to the Book Entry Notes; or (c) any advice or representation made by or with respect to CDS including those contained in this Information Memorandum and relating to the rules governing CDS or any action to be taken by CDS or at the direction of its Participants. The rules governing CDS provide that it acts as the agent and depository for the Participants, and CDS has a statutory duty to enforce payment of the Notes on behalf of the Participants. As a result, Participants must look solely to CDS and holders of Book Entry Notes must look solely to Participants for the payment of the principal and interest on the Book Entry Notes once such payment is made by or on behalf of the Corporation to CDS.

The ability of a holder to pledge Book Entry Notes or take action with respect thereto (other than through a Participant or an Indirect Participant) may be limited due to the lack of physical certificates.

The Corporation will have the option to terminate the book entry system through CDS, in which case Notes in certificated form payable to bearer or to the order of a holder thereof will be issued to holders of Book Entry Notes or their nominees.

As of the date of this Information Memorandum, only Notes payable in Canadian or United States dollars are eligible to be Book Entry Notes. Notes payable in currencies other than Canadian or United States dollars will be issued in certificated form payable to bearer or to a named payee. If CDS and its Participants decide to introduce non-Canadian or non-United States dollar short term promissory notes into the CDS debt clearing service in the future, Notes in certificated form will then be issued in “book-entry” form on the same basis as that described above for the Book Entry Notes.

The Book Entry Notes will be subject to the *Depository Bills and Notes Act* (Canada).

- Denominations:** The Notes will be issued in multiples of \$1,000, subject to a minimum principal amount of \$100,000 in Canadian currency or the equivalent thereof in other currencies at the time of issue.
- Maturities:** Up to 365 days from date of issue.
- Rates:** Available upon request.
- Delivery:** Delivery of Notes in certificated form will be made against payment by certified cheque or wire transfer and may be arranged for same day delivery to the purchaser or its agent through The Toronto Dominion Bank in Toronto. In other principal cities in Canada, delivery will be made by letter of undertaking. Delivery of Book Entry Notes will be made in accordance with the rules established by CDS.
- Payment:** At maturity, payment of the principal of, and interest on, Notes in certificated form will be made in the currency of issue at the branches of The Toronto Dominion Bank. All payments on Book Entry Notes will be made in accordance with the rules established by CDS.
- Liquidity:** The Corporation maintains lines of credit in amounts sufficient for its operations, including its commercial paper activity.
- Selling Restrictions:** The Notes have not been and will not be registered under the 1933 Act and may not be offered or sold or delivered, directly or indirectly, within the United States or to, or for the account or benefit of, “U.S. Persons” (as such term is defined in Regulation “S” under the 1933 Act) (“**U.S. Persons**”). The Notes will not be sold outside Canada

or to any person who is not resident in Canada, or to any person purchasing such Notes for resale to, or for the account or benefit of, any person who is not resident in Canada.

**Purchaser's  
Representations:**

By purchasing a Note, the purchaser represents and warrants that it (i) is either: (A) a registered dealer or an affiliate designated by a registered dealer; or (B) not in the United States or a U.S. Person; and (ii) is not purchasing such Notes for resale in the United States to, or for the account or the benefit of, any U.S. Person.

**Rating:**

The following rating is given as of the date hereof and is subject to change without notice:

<u>Agency</u>	<u>Rating</u>
Moody's Investor Service (Moody's Canada Inc.) .....	P-2
S&P Global Ratings Canada .....	A-1(Low)
DBRS Limited .....	R-1(low)

**HYDRO ONE INC.**

**Extract From the Corporation's By-laws  
By-Law No. 1**

A by-law relating generally to the conduct of affairs of Hydro One Inc.

**BE IT ENACTED** as a by-law of Hydro One Inc. (the "**Corporation**") as follows:

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1.01 Definitions

In the by-laws of the Corporation, unless the context otherwise requires:

(1) "**Act**" means the *Business Corporations Act*, R.S.O. 1990 c. B. 16 and the regulations made pursuant thereto, as from time to time amended, and every statute that may be substituted therefore and, in the case of such substitution, any reference in the by-laws of the Corporation to provisions of the Act shall be read as references to the substituted provisions therefor in the new statute or statutes;

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3.02 Borrowing Power

(1) Without limiting the borrowing powers of the Corporation as set forth in the Act, but subject to the articles, the directors may from time to time on behalf of the Corporation:

- (a) borrow money or otherwise obtain credit upon the credit of the Corporation in such amounts and upon such terms as may be considered advisable;
- (b) issue, re-issue, sell or pledge debt obligations of the Corporation, including without limitation, bonds, debentures, debenture stock, notes or other securities or obligations of the Corporation, whether secured or unsecured, for such sums, upon such terms, covenants and conditions and at such prices as may be deemed expedient;
- (c) give directly or indirectly financial assistance to any person by means of a loan, guarantee or otherwise to secure any present or future indebtedness or liability of any person, firm or corporation, in either limited or unlimited amount and either with or without security; and
- (d) charge, mortgage, hypothecate, pledge, assign, transfer or otherwise create a security interest in all or any currently owned or subsequently acquired real or personal, movable or immovable property of the Corporation, including book debts, rights, powers, franchises and undertakings, to secure any bonds, debentures, debenture stock, notes or other securities or obligations of the Corporation.

(2) Nothing in Section 3.02(1) limits or restricts the borrowing of money by the Corporation on bills of exchange or promissory notes made, drawn, accepted or endorsed by or on behalf of the Corporation.

(3) For clarity, the powers conferred by Sections 3.02(1) and 3.02(2) shall be deemed to be in supplement of and not in substitution for any powers to borrow money for the purposes of the Corporation possessed by its directors or officers independently of this Section 3.02.

3.03 Delegation

Subject to the Act, the articles and the by-laws, the board may from time to time delegate to a committee of the board, one or more of the directors and/or officers of the Corporation or any other person or persons as may be designated by the board all or any of the powers conferred on the board by Section 3.02(1) or by the Act to such extent and in such manner as the board may determine at the time of each such delegation.

The undersigned, Secretary of Hydro One Inc., hereby certifies that (i) the foregoing is a true and correct copy of an extract from By-law No. 1 of the Corporation duly enacted and passed by the Board of Directors of the Corporation at a meeting duly called and held on the 8<sup>th</sup> day of October, 2015, (ii) such By-law has not been amended or repealed, and (iii) such By-law is in full force and effect as of the date hereof.

Dated the 25<sup>th</sup> day of March, 2019.



MAUREEN WAREHAM  
Secretary

**HYDRO ONE INC.**  
**(the “Corporation”)**

**RESOLUTIONS OF THE BOARD OF DIRECTORS**

**RECITALS:**

**Increase in Size of Commercial Paper Program**

- A. The board of directors of the Corporation passed a resolution on July 11, 2000 authorizing the Corporation to borrow up to a maximum principal amount of \$1 billion by way of the issue and sale of commercial paper in the form of short-term unsecured promissory notes.
- B. The board of directors of the Corporation passed a resolution on October 8, 2015 authorizing the Corporation to borrow up to a maximum principal amount of \$1.5 billion by way of the issue and sale of commercial paper in the form of short-term unsecured promissory notes.
- C. The Corporation desires to increase the maximum principal amount of commercial paper in the form of short-term unsecured promissory notes that can be issued and sold by the Corporation from \$1.5 billion to \$2.3 billion.

**RESOLVED THAT:**

- 1. The Corporation is hereby authorized to borrow money by the issuance and sale of commercial paper in the form of short-term unsecured promissory notes (the “Notes”), whether in certificated form or “book entry form”, each Note to be in a denomination not less than \$100,000 and in integral multiples of \$1,000, in lawful money of Canada or the equivalent thereof in other currencies, and to have a maturity date of not more than 365 days from the date of its issue; provided that the aggregate principal amount of such Notes outstanding at any time shall not exceed the sum of \$2,300,000,000 in lawful money of Canada or the equivalent thereof in other currencies at the time of issue; and provided further that such limitation as to aggregate principal amount shall be directory only and shall not in any way limit the rights of a holder of any such Notes;
- 2. Any one of the Acting President and Chief Executive Officer, Acting Chief Financial Officer or Treasurer be authorized on behalf of the Corporation (i) to execute, either by manual, electronic or facsimile signature, and deliver Notes in such amounts and upon such terms (including maturity dates and rates of interest or discount) as they may determine, such determination to be conclusively evidenced by their execution thereof, (ii) in the case of Notes issued in certificated form, to designate and authorize by instruments in writing one or more banks, trust companies or other agents to authenticate or countersign the Notes on behalf of the Corporation and to deliver the same to the purchaser or purchasers thereof, and (iii) to execute and deliver any or all other documents in any way relating to any money so borrowed;
- 3. Any Note executed by the Corporation in accordance with the provisions of this resolution and, in the case of Notes issued in certificated form only, authenticated or countersigned by either manual or facsimile signature on behalf of the Corporation, shall constitute a valid and binding obligation of the Corporation enforceable in accordance with its terms notwithstanding that, at any time after execution of such Note, any person duly authorized to execute or authenticate or countersign the same may cease to hold the office or position held by such person at the time he or she executed or authenticated or countersigned such Note;
- 4. The Information Memorandum of the Corporation dated October 9, 2015, in both the English and French language, be amended and restated to reflect the increase in the maximum principal amount of Notes that can be issued to \$2.3 billion together with such other changes, additions, and deletions as the Acting President and Chief Executive Officer, Acting Chief Financial Officer or Treasurer may approve and the Information Memorandum so amended and restated shall be the Information Memorandum of the Corporation in respect of the issuance and sale of the Notes from and after the date of such amended and restated Information Memorandum;
- 5. Any one of the Acting President and Chief Executive Officer, Acting Chief Financial Officer or Treasurer are hereby authorized to do all acts and things and to execute and deliver or caused to be executed and delivered such agreements, instruments and documents as such officer may consider necessary or desirable in connection with the foregoing, including without limitation, the selection and appointment of one or more issuing and paying agents and one or more

one or more selling agents or dealers for the Notes, the entering into agreements with such issuing and paying agents or selling agents or dealers for the Notes or the entering into amendments to existing agreements with such issuing and paying agents or selling agents or dealers for the Notes, such execution and delivery on behalf of the Corporation by such officer shall be deemed to be conclusive evidence of such authorization;

6. Nothing contained in this resolution shall effect the validity or enforceability of Notes previously issued by the Corporation and outstanding on the date hereof and provided further that the principal amount of any such Notes shall be included for purposes of determining compliance with the limitation on the aggregate principal amount of the Notes that can be outstanding at any time contemplated herein for so long as such Notes are outstanding;
7. If, after the date of these resolutions, the Corporation appoints an officer to the office of any of President and Chief Executive Officer or Chief Financial Officer, then such officer, as duly appointed, shall be hereby authorized to perform the actions authorized by these resolutions to be taken by the Acting President and Chief Executive Officer or Acting Chief Financial Officer, as the case may be; and
8. The specific powers and authorities granted by the foregoing resolutions shall be deemed to be in supplement of and not in substitution for any power and authority heretofore granted in respect of the issuance of debt by the Corporation.

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The undersigned, Secretary of Hydro One Inc., hereby certifies that the foregoing is a true and correct copy of an extract from a resolution passed by the Board of Directors of the Corporation at a meeting duly called and held on the 25<sup>th</sup> day of March, 2019, and that such resolution is in full force and effect as of the date hereof.





Dated the 25<sup>th</sup> day of March, 2019.

  
MAUREEN WAREHAM  
Secretary



HYDRO ONE INC.

Certificate of Incumbency and Signatures of Officers

<u>Name</u>	<u>Office</u>	<u>Signature</u>
PAUL DOBSON	Acting President and Chief Executive Officer	
CHRIS LOPEZ	Acting Chief Financial Officer	
MAUREEN WAREHAM	Secretary	
ALI SULEMAN	Vice President and Treasurer	

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I, Maureen Wareham, being the Secretary of Hydro One Inc. (the “Corporation”), hereby certify on behalf of the Corporation that the persons named above have been duly elected or appointed to the offices in the Corporation set forth opposite their respective names, that such persons are now holding the said offices and that the signatures set forth opposite their respective names are true specimens or true reproductions of the respective signatures of such officers.

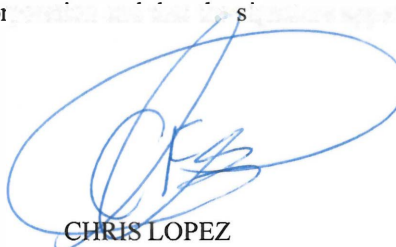
Dated the 25<sup>th</sup> day of March, 2019.



MAUREEN WAREHAM  
Secretary

I, Chris Lopez, being the Acting Chief Financial Officer of the Corporation hereby certify that Maureen Wareham is the duly appointed Secretary of the Corporation and the signature appearing beside her name above is her genuine signature.

Dated this 25<sup>th</sup> day of March, 2019.



CHRIS LOPEZ  
Acting Chief Financial Officer

**Osler, Hoskin & Harcourt LLP**  
Box 50, 1 First Canadian Place  
Toronto, Ontario, Canada M5X 1B8  
416.362.2111 MAIN  
416.862.6666 FACSIMILE

**OSLER**

Toronto Hydro One Inc.  
483 Bay Street  
Montréal South Tower, Suite 800  
Toronto, Ontario  
Calgary M5G 2P5

March 25, 2019

Ottawa

Vancouver Dear Sirs:

New York **Re: Issue of Short Term Promissory Notes**

We have acted as counsel to Hydro One Inc. (the “**Corporation**”) in connection with the authorization and proposed issue and sale in all provinces of Canada by the Corporation of negotiable short term unsecured promissory notes (the “**Notes**”) having maturity dates not more than 365 days from their respective dates of issue and being in denominations or principal amounts of not less than \$100,000 in lawful money of Canada, or the equivalent thereof at the date of issue in any other currency. The Notes may be issued in certificated form, payable to the bearer or to a specified payee, or may be issued in “book entry only” form. Each Note will also have the terms more particularly described and referred to in the Corporation’s Information memorandum (the “**Information Memorandum**”) dated March 25, 2019 which amends and restates the Corporation’s Information memorandum dated October 9, 2015, with respect to the proposed sale of the Notes, of which this opinion forms part, and will be in the form of one of the specimen forms of the Notes included in the Information Memorandum. The Corporation has limited the aggregate principal amount of Notes which may be outstanding at any time to \$2,300,000,000 in Canadian funds or the equivalent amount in any other currency at the date of issue.

We have examined originals or copies, certified or otherwise identified to our satisfaction, of the articles of incorporation of the Corporation, as amended to date, the by-laws of the Corporation, a certified copy of a resolution passed by the directors of the Corporation relating to the issue and sale of the Notes, the forms of the Notes set forth in the Information Memorandum, and such other public and corporate records, certificates, statutes, regulations and other documents as we have considered necessary or appropriate for the purposes of this opinion. In such examinations we have assumed the legal capacity of all individuals, the genuineness of all signatures and the authenticity of all documents submitted to us as originals, the conformity to authentic originals of all documents submitted to us as certified, notarial or true copies or facsimiles thereof and the veracity of all information contained in such documents.

We have further assumed that (i) there has been no cease trade order or similar order made by a court or regulatory authority having jurisdiction preventing trades in any of the Corporation’s securities; (ii) the Corporation is not engaged in the business of trading in securities or holding itself out as engaging in the business of trading in securities; (iii) the Corporation is not required and does not intend to file the Information Memorandum with either (A) the securities regulatory authorities in any jurisdiction; or (B) any stock exchange; (iv) the Notes mature not more than one year from the date of issue; and (v) the Notes are not convertible or exchangeable into or accompanied by a right to purchase another security and are not considered a “securitized product” for purposes of National Instrument 45-106 – *Prospectus Exemptions* (“**NI 45-106**”).

We have also assumed that any agent acting in connection with the offer and sale of the Notes that is registered under any applicable securities laws has complied with such applicable securities laws and with the provisions of its registration, if applicable, in connection with such offer and sale.

As to various questions of fact relevant to our opinion which we have not verified independently, we have relied upon certificates of, or letters from, government officials or the Corporation or its officers.

As to matters of law in the provinces of Canada other than Ontario, Alberta, British Columbia and Quebec, we have relied upon opinions of counsel in such provinces. To the extent that such opinions are based on any assumption or are made subject to any limitation or qualification, this opinion is based on the same assumption and is subject to the same limitation or qualification. Except to the extent this opinion is rendered in reliance on the opinions of counsel described above, this opinion is rendered solely with respect to the laws of the Provinces of Ontario, Alberta, British Columbia and Quebec and the federal laws of Canada applicable therein in effect on the date hereof. Our opinion set forth herein in respect of the laws of the Provinces of Alberta and British Columbia are limited exclusively to the opinion set forth in paragraph 5 and our opinions set forth herein in respect of the laws of the Province of Quebec are limited exclusively to the opinions set forth in paragraphs 4 and 5. We are not in any other paragraphs of this opinion letter expressing any opinion in respect of the laws of the Provinces of Alberta, British Columbia and Québec.

In expressing the opinions set forth in paragraph 1 below that the Corporation is a corporation existing under the laws of the Province of Ontario, we have relied upon a Certificate of Status issued by the Ontario Ministry of Government and Consumer Services dated March 22, 2019.

With respect to the opinion expressed in paragraph 3, the enforceability of the Notes may be limited by (i) any applicable bankruptcy, insolvency, reorganization, receivership, moratorium, arrangement or winding-up laws or other similar laws affecting the enforcement of creditors' rights generally; (ii) equitable principles, including the principle that equitable remedies such as specific performance and injunction may only be granted in the discretion of the court of competent jurisdiction; (iii) the equitable or statutory power of the court having jurisdiction to stay proceedings before it and the execution of judgements; (iv) the applicable laws regarding limitations of actions; (v) with respect to the rate at which interest is payable under the Notes, the *Interest Act* (Canada), the *Criminal Code* (Canada) and similar provincial legislation which limits the rate at which interest can be payable; and (vi) with respect to Notes payable in a currency other than that of Canada, the *Currency Act* (Canada), which provides that judgement in courts in Canada may be obtained only in Canadian currency.

Based upon the foregoing, we are of the opinion that:

1. The Corporation is a corporation existing under the Business Corporations Act (Ontario).
2. The Corporation has all necessary corporate power to create and issue the Notes and all necessary corporate action has been taken by the Corporation to authorize the borrowing of money through the sale of the Notes and the creation, issue and delivery of the Notes.
3. The Notes, in the specimen forms set forth in the Information Memorandum when (i) duly executed, either manually or by facsimile signature, by any one of the Acting President and Chief Executive Officer, the President and Chief Executive Officer, the Acting Chief Financial Officer, the Chief Financial Officer or the Treasurer, (ii) in the case of Notes in certificated form, authenticated or countersigned by an authorized signatory of an issuing agent of the Corporation duly appointed by the Corporation and (iii) delivered by or on behalf of the Corporation for value, will constitute valid and binding obligations of the Corporation enforceable in accordance with their terms.
4. The French language texts of the Information Memorandum and the specimen forms of Notes are, in all material respects, reasonable and proper translations of the respective English language texts thereof and the said French and English language texts are not susceptible of materially different interpretations with respect to any material matter contained therein. All laws of the Province of Quebec relating to the use of the French language will have been complied with in connection with, the offer and sale of the Notes provided that (a) purchasers of the notes receive Notes in bilingual form and (b) prospective purchasers of the Notes have received copies of the English and French language versions of the Information Memorandum delivered at

the same time or copies of the French language version thereof only or, in the case of individuals so requesting in writing, copies of the English language version only.

5. The Corporation may, either directly or through agents, provided that such agents must be registered in an appropriate category pursuant to applicable securities legislation that would permit them to effect, or otherwise be exempt from registration in respect of, distributions or trades in the Notes, offer and sell the Notes in each of the provinces of Canada without filing any prospectus or other documents with applicable securities regulatory authorities in Canada, provided that the Notes:
- (a) have a credit rating from a “designated rating organization”, or its “DRO affiliate” (each as defined in NI 45-106), that is at or above one of the following rating categories or that is at or above a rating category that replaces one of the following rating categories:
    - (i) R-1(low) if issued by DBRS Limited;
    - (ii) F1 if issued by Fitch Ratings, Inc.;
    - (iii) P-1 if issued by Moody’s Canada Inc.;
    - (iv) A-1(Low) (Canada national scale) if issued by S&P Global Ratings Canada; and
  - (b) have no credit rating from a “designated rating organization”, or its “DRO affiliate” (each as defined in NI 45-106), that is below one of the following rating categories or that is below a rating category that replaces one of the following rating categories:
    - (i) R-1(low) if issued by DBRS Limited;
    - (ii) F2 if issued by Fitch Ratings, Inc.;
    - (iii) P-2 if issued by Moody’s Canada Inc.;
    - (iv) A-1(Low) (Canada national scale) or A-2 (global scale) if issued by S&P Global Ratings Canada.

The opinions in this letter are given solely for the benefit of the addressee in connection with the transactions referred to herein and may not, in whole or in part, be relied upon by, or shown or distributed to, any other person except that any dealer or selling agent appointed by the Corporation may rely on this opinion solely for the purposes of performing its obligations under any dealer or selling agent agreement with the Corporation in respect of the proposed issue and sale by the Corporation of the Notes. The opinions in this letter are only given as of the date hereof and we disclaim any obligation to update the opinions in this letter after the date hereof whether as a result of a change of law, change of fact or otherwise.

Yours truly,

*Osler, Hoskin & Harcourt LLP*

MDI/TS/NR/FP/BB



**CERTIFICATED FORM  
SOUS FORME DE CERTIFICAT**

hydro **One**

No. NOTE  
N<sup>o</sup> BILLET

**DISCOUNT/INTEREST BEARING NOTE  
BILLET À DÉCOTE / PORTANT INTÉRÊT**

Issue Date (D/M/Y)  
*Date d'émission (J/M/A)*

Due Date (M/D/Y)  
*Date d'échéance (M/J/A)*

**HYDRO ONE INC.**, for value received, hereby promises  
*contre valeur reçue, promet*

to pay to or to the order of:  
*par les présentes de payer à :*

on the due date, the sum of  
*à la date d'échéance, la somme de*

Dollars  
*dollars*

in lawful money of  
*ou à son ordre, en monnaie légale de*

with, in the case of an Interest Bearing Note, interest thereon  
*avec, dans le cas d'un billet portant intérêt, intérêt sur celui-ci*  
at the rate of \_\_\_\_\_ Per cent ( %) per annum, from the Issue Date hereof to the Due Date,  
*au taux de \_\_\_\_\_ pour cent ( %) par année, à compter de la date d'émission des présentes jusqu'à la date d'échéance,*

upon due presentation and surrender of this promissory note at the main branch of The Toronto-Dominion Bank in  
*lors de la présentation et remise en bonne et due forme du présent billet à ordre à la succursale principale de La Banque Toronto-Dominion à*

The aforesaid interest rate is calculated on the basis of a year of 365 days if the Note is denominated in Canadian currency and the yearly rate of interest on a U.S. currency Note is the rate previously stated multiplied by the number of days in the year and divided by 360.  
*Le taux d'intérêt précité est calculé à raison d'une année de 365 jours si le billet est libellé en monnaie canadienne et le taux d'intérêt annuel sur un billet en monnaie américaine est le taux déjà indiqué, multiplié par le nombre de jours durant l'année et divisé par 360.*

This promissory note shall become valid only when manually authenticated or countersigned on behalf of HYDRO ONE INC. by its authorized issuing agent.  
*Le présent billet à ordre ne deviendra valide que lorsqu'il aura été authentifié ou contresigné à la main pour le compte de HYDRO ONE INC., par son agent émetteur autorisé.*

**HYDRO ONE INC.**  
By its authorized issuing agent, / *Par son agent émetteur autorisé,*

**HYDRO ONE INC.**

By / par \_\_\_\_\_

By / par \_\_\_\_\_

This promissory note shall be interpreted and governed exclusively in accordance with the laws of Ontario and of Canada applicable therein.  
*Le présent billet à ordre sera interprété et régi exclusivement conformément aux lois de l'Ontario, ainsi qu'aux lois du Canada s'appliquant dans cette province.*



THIS NOTE HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933 (THE "SECURITIES ACT") OR ANY STATE SECURITIES LAWS. NEITHER THIS NOTE NOR ANY PORTION HEREOF MAY BE OFFERED OR SOLD WITHIN THE UNITED STATES OR TO ANY U.S. PERSON (AS EACH SUCH TERM IS DEFINED IN REGULATIONS UNDER THE SECURITIES ACT). THIS NOTE WILL NOT BE SOLD OUTSIDE CANADA OR TO ANY PERSON WHO IS NON-RESIDENT OF CANADA (AS SUCH TERM IS DEFINED UNDER THE *INCOME TAX ACT (CANADA)*). BY ACCEPTING THIS NOTE, THE HOLDER REPRESENTS AND WARRANTS THAT IT (I) IS NOT IN THE UNITED STATES OR A U.S. PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER) (II) IS NOT HOLDING SUCH NOTE FOR OR ON BEHALF OF A U.S. PERSON (OTHER THAN AN EXEMPT RECIPIENT DESCRIBED IN SECTION 6049(b)(4) OF THE INTERNAL REVENUE CODE AND THE REGULATIONS THEREUNDER) AND (III) IS NOT A NON-RESIDENT OF CANADA (AS SUCH TERM IS DEFINED UNDER THE *INCOME TAX ACT (CANADA)*).

LE PRÉSENT BILLET N'A PAS ÉTÉ NI NE SERA ENREGISTRÉ EN VERTU DE LA LOI DES ÉTATS-UNIS INTITULÉE *SECURITIES ACT OF 1933 (LA LOI DE 1933)* NI D'AUCUNE LOI SUR LES VALEURS MOBILIÈRES ÉTATIQUES. NI LE PRÉSENT BILLET NI AUCUNE PARTIE DE CELUI-CI NE PEUT ÊTRE OFFERT OU VENDU AUX ÉTATS-UNIS OU À UNE PERSONNE DES ÉTATS-UNIS (AU SENS DE L'EXPRESSION CORRESPONDANTE DANS LES RÈGLEMENTS EN VERTU DE LA LOI DE 1933). LE PRÉSENT BILLET NE SERA PAS VENDU À L'EXTÉRIEUR DU CANADA NI À AUCUNE PERSONNE QUI EST UN NON-RÉSIDENT DU CANADA (AU SENS DE CETTE EXPRESSION EN VERTU DE LA *LOI DE L'IMPÔT SUR LE REVENU (CANADA)*). EN ACCEPTANT LE PRÉSENT BILLET, LE PORTEUR DÉCLARE ET AFFIRME (I) QU'IL N'EST NI AUX ÉTATS-UNIS NI UNE PERSONNE DES ÉTATS-UNIS (SAUF UN BÉNÉFICIAIRE DISPENSÉ DÉCRIT À L'ARTICLE 6049(b)(4) DE L'*INTERNAL REVENUE CODE* ET DES RÈGLEMENTS EN VERTU DE CELUI-CI), (II) QU'IL NE DÉTIENT PAS CE BILLET POUR UNE PERSONNE DES ÉTATS-UNIS OU POUR SON COMPTE (SAUF UN BÉNÉFICIAIRE DISPENSÉ DÉCRIT À L'ARTICLE 6049(b)(4) DE L'*INTERNAL REVENUE CODE* ET DES RÈGLEMENTS EN VERTU DE CELUI-CI), ET (III) QU'IL N'EST PAS UN NON-RÉSIDENT DU CANADA (AU SENS DE CETTE EXPRESSION EN VERTU DE LA *LOI DE L'IMPÔT SUR LE REVENU (CANADA)*).



**BOOK-ENTRY ONLY FORM  
MODÈLE DE BILLET INSCRIT EN COMPTE SEULEMENT**

hydro **One**

No. NOTE  
N<sup>o</sup> BILLET

DISCOUNT/INTEREST BEARING NOTE  
BILLET À DÉCOTE / PORTANT INTÉRÊT

Issue Date (D/M/Y)  
Date d'émission (J/M/A)

Due Date (M/D/Y)  
Date d'échéance (M/J/A)

**HYDRO ONE INC.**, for value received, hereby promises  
*contre valeur reçue, promet*

to pay to or to the order of:  
*par les présentes de payer à :*

on the due date, the sum of  
*à la date d'échéance, la somme de*

Dollars  
dollars

in lawful money of  
*ou à son ordre, en monnaie légale de*

with, in the case of an Interest Bearing Note, interest thereon  
*avec, dans le cas d'un billet portant intérêt, intérêt sur celui-ci*  
at the rate of  
*au taux de*

Per cent ( %) per annum, from the Issue Date hereof to the Due Date.  
*pour cent ( %) par année, à compter de la date d'émission des présentes jusqu'à la date d'échéance,*

upon due presentation and surrender of this promissory note at the main branch of The Toronto-Dominion Bank in  
*lors de la présentation et remise en bonne et due forme du présent billet à ordre à la succursale principale de La Banque Toronto-Dominion à*

The aforesaid interest rate is calculated on the basis of a year of 365 days if the Note is denominated in Canadian currency and the yearly rate of interest on a U.S. currency Note is the rate previously stated multiplied by the number of days in the year and divided by 360.  
*Le taux d'intérêt précité est calculé à raison d'une année de 365 jours si le billet est libellé en monnaie canadienne et le taux d'intérêt annuel sur un billet en monnaie américaine est le taux déjà indiqué, multiplié par le nombre de jours durant l'année et divisé par 360.*

**HYDRO ONE INC.**

By / par \_\_\_\_\_

This promissory note shall be interpreted and governed exclusively in accordance with the laws of Ontario and Canada applicable therein.  
This is a depository note subject to the *Depository Bills and Notes Act* (Canada).

*Le présent billet sera interprété et régi exclusivement conformément aux lois de l'Ontario, ainsi qu'aux lois du Canada s'appliquant dans cette province et est un billet de dépôt assujéti à la Loi sur les lettres et billets de dépôt (Canada).*