



Investor Overview

Post Third Quarter 2016

One of North America's largest electric utilities

TSX: H

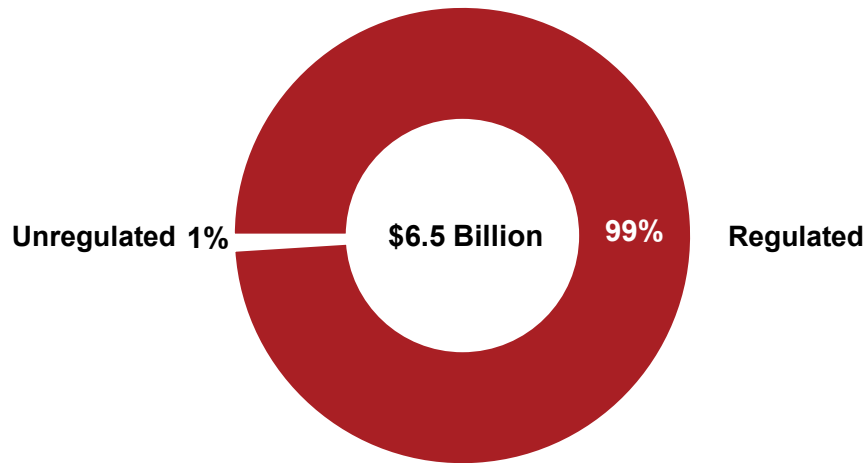


- One of the largest electric utilities in North America, with a market capitalization of +\$15 billion
- Significant scale and leadership position in Ontario, home to ~38% of Canada's population
- Transmission network serves 98% of Ontario, together with a local distribution network serving ~25% of end customers in the Province
- Privatization initiative by Province of Ontario to divest 60% of Hydro One well underway post November 2015 IPO (15%) and April 2016 secondary (15%) offering
- Blue chip independent Board together with legislated governance agreement ensure autonomous commercial operations with Province as an investor and not a manager
- Stable and growing cash flows with 99% of overall business fully rate-regulated
- Predictable self-funding growth profile with ~5% expected rate base expansion exceeding depreciation under multi-year capital investment plan to upgrade aging infrastructure
- No material exposure to commodity prices or generation as the cost of electricity is passed directly to consumers
- Strong balance sheet with "A" investment grade credit ratings and significant available liquidity
- 70% - 80% target dividend payout ratio with annualized dividend of \$0.84 per share

A unique opportunity to invest in the transformation of a premium, large scale, stable electric utility

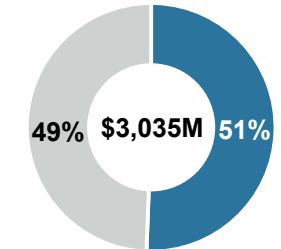
Hydro One at a Glance (Full Year 2015)

Total Revenue (Hydro One Limited)

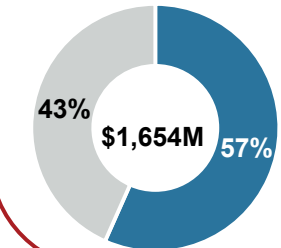


Overview of Regulated Business (Hydro One Inc.)

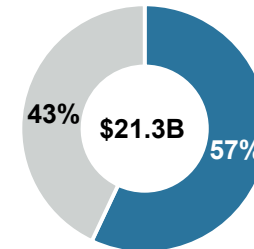
Revenue Net of Purchased Power¹



Capital Investments

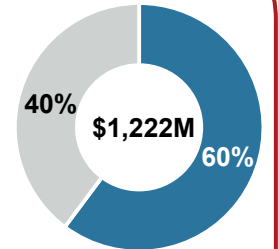


Total Assets

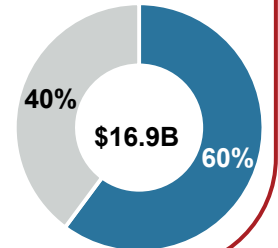


■ Transmission
■ Distribution

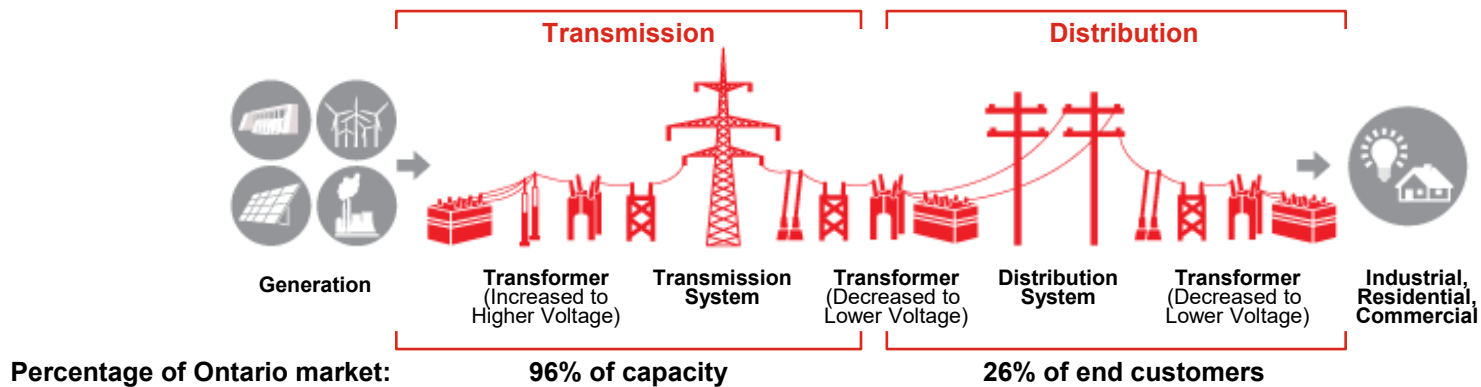
EBIT



Rate Base²



Hydro One's Role in the Electric System



A large scale, pure-play electric transmission and distribution utility

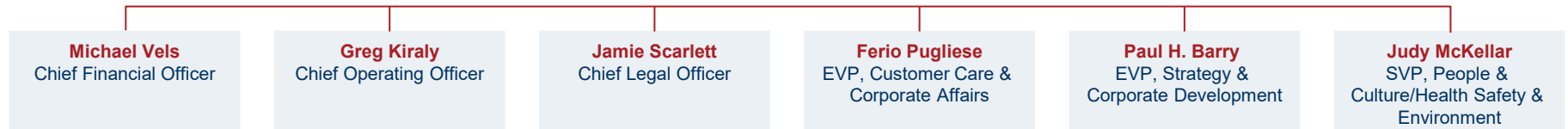
(1) Purchased power is a flow through to customers; (2) Transmission Rate Base Includes 100% of B2M JV Rate Base and excludes GLPT acquisition

Preparing to Accelerate Growth

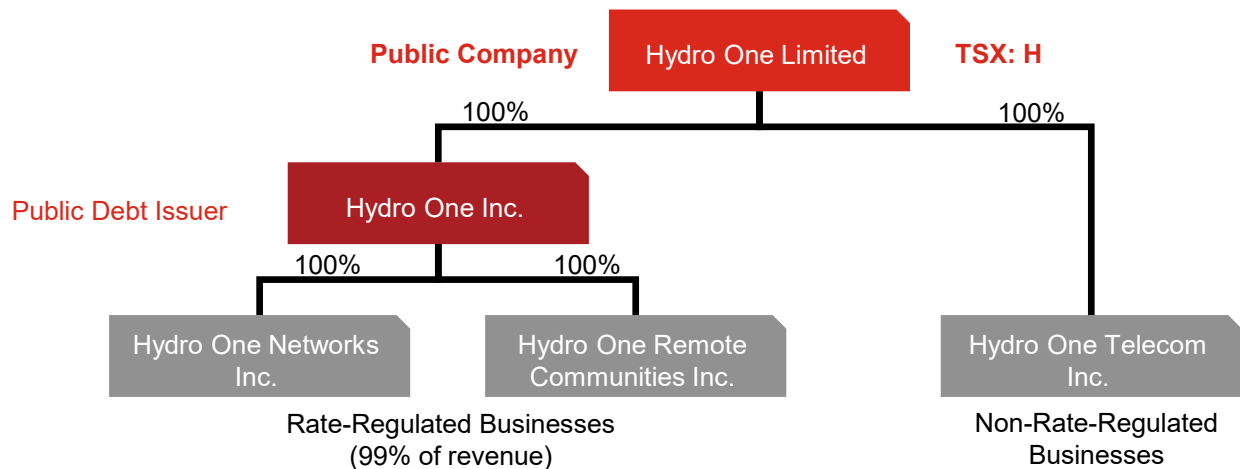
Management Structure



Mayo Schmidt
President and CEO



Corporate Structure



Proven leadership with demonstrated experience transforming organizations and growing shareholder value



- Reinvigorated focus on integrating customer needs into business decision making
- Increased concentration on efficiency and productivity
- Accelerating effectiveness and efficiency of capital deployment as stewards of the grid
- Making Hydro One a more rewarding and safer place to work for employees
- Deliver best in class operating metrics and position Hydro One for accelerated growth
- Successfully transition from cost of service to incentive based rate regulation
- Continue to consolidate fragmented Ontario electric local distribution market
- Adapt to the emerging industry technology landscape

Building commercial excellence to transform Hydro One from good to great

Electric Transmission Network



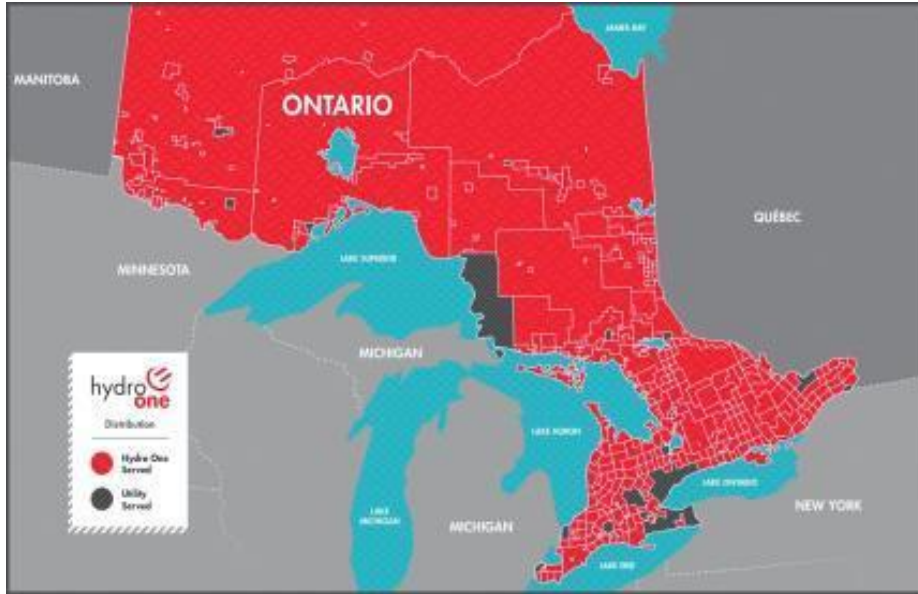
| | |
|--|---------------|
| Local Distribution Company (LDC) customers | 47 |
| Large directly connected industrial customers | 90 |
| Transmission lines (circuit KMs) | 29,355 |
| Transmission stations | 292 |
| Interconnections | 25 |

Key Points

- One of North America's largest electric transmitters, owning and operating 98% of Ontario's transmission capacity
- Transmission produces reliable cash flow with low volatility under Ontario Energy Board (OEB) cost of service regulation
- Growing rate base with planned annual capital investments of ~\$900 - \$1,000 million through 2020 with focus on refurbishing aging assets.
- Shift to renewable generation sources driving expansion of transmission network.
- 20,344 mega-watts of average monthly 60-minute peak demand in 2015
- 2016 allowed ROE of 9.19% with 40% / 60% deemed equity / debt capital structure
- No meaningful exposure to generation or commodity costs which are passed through to end customers
- Acquisition of Great Lakes Power Transmission completed on October 31, 2016

One of Canada's largest electric transmission providers

Electric Distribution Footprint



| | |
|--|--------------------|
| Individual LDCs consolidated since 2000 | ~90 |
| Distribution lines (KMs) | 123,425 |
| Distribution poles | 1.6 million |
| Distribution end customers | 1.3 million |
| LDC wholesale customers | 55 |
| Generation assets / exposure to power costs | None |

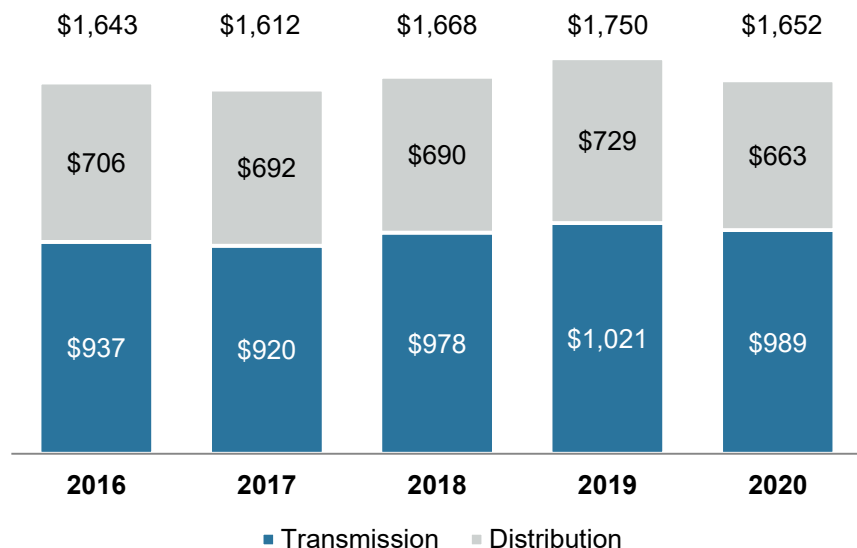
Key Points

- The largest electric distributor in Ontario, with 1.3 million residential and business customers, and 55 LDC wholesale customers
- Distribution is a stable, rate-regulated business operating under OEB cost of service framework with transition to performance based model in 2018
- Growing rate base with planned annual capital investments of ~\$650 - \$750 million through 2020
- 2016 allowed ROE of 9.19% with 40% / 60% deemed equity/debt capital structure
- Recent OEB decision in place to transition residential LDC rates to fully fixed (decoupling)
- 28.9 terawatt-hours of electricity distributed to customers in 2015
- Recent Haldimand, Woodstock, Norfolk LDC acquisitions grew customer base by ~5%
- Drivers of growth include rate base expansion, productivity improvements and continued consolidation of LDC's

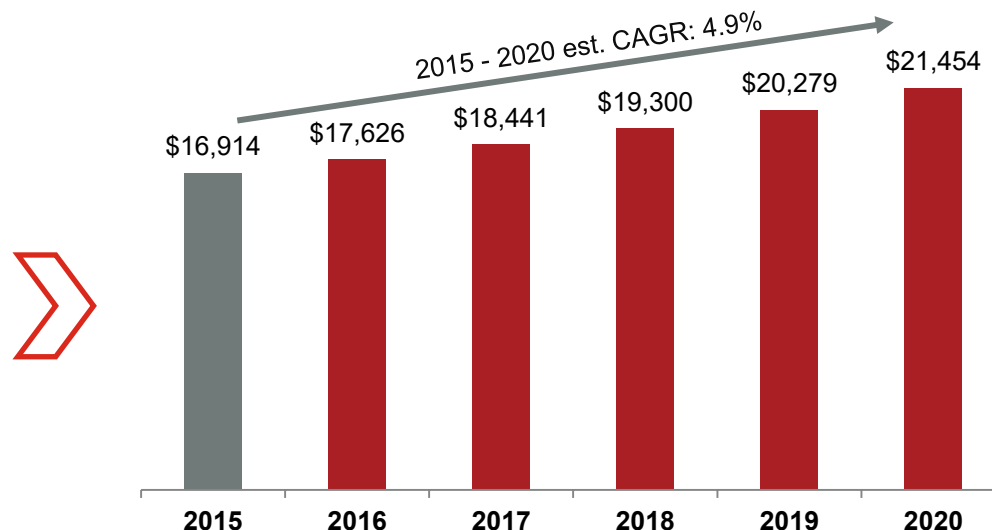
The largest LDC in Ontario with further expansion opportunities

Regulated Capital Investment

Projected Capital Investments* (\$M)



Projected Rate Base Growth*



* Company estimates subject to change and exclude upward impact of 5/31/16 transmission rate filing until approved

Comments

- Organic growth underpinned by continued rate base expansion
- Material amounts of end-of-service life infrastructure must be upgraded or replaced
- Estimated average annual capital investments of over ~\$1.6 billion per year over the next five years
- Little concentration risk as most projects within capex envelope are small to medium relative to total
- Capital expenditures generally not undertaken prior to reasonable assurance of regulatory recovery
- Equity issuance not anticipated to fund planned five year self-funded capital investment program

Robust and predictable organic growth profile driven by required replacement of aging infrastructure

Two Representative Medium Scale Capital Projects

Clarington Transmission Station



Key points

- Estimated Total Project Cost: \$297 million
- Capital Cost To Date: \$180 million
- Anticipated In-Service date: 2018
- Description: Comprised of two 750MVA, 500/230 kV transformers and associated termination facilities to connect Hydro One's bulk transmission network to Eastern Ontario upon retirement of the Pickering Nuclear Generation Station

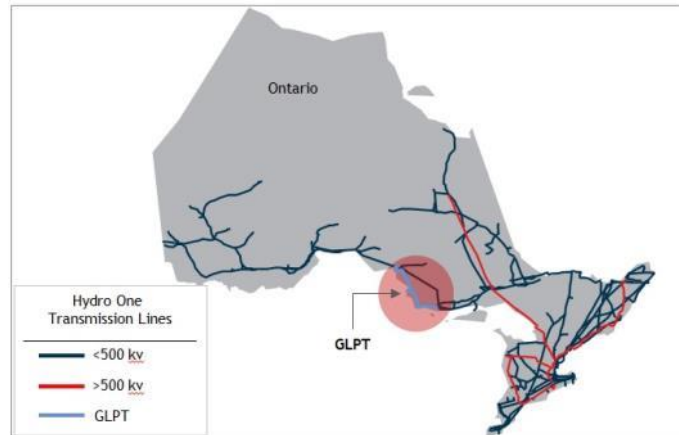
Toronto Midtown Transmission Reinforcement



Key points

- Estimated Total Project Cost: \$123 million
- Capital Cost To Date: \$110 million
- Anticipated In-Service date: 2016
- Description: Reinforcement of major transmission corridor connecting Bridgman Transmission Station to Leaside Transmission Station with portions being placed in 60m deep tunnel to minimize community disruption

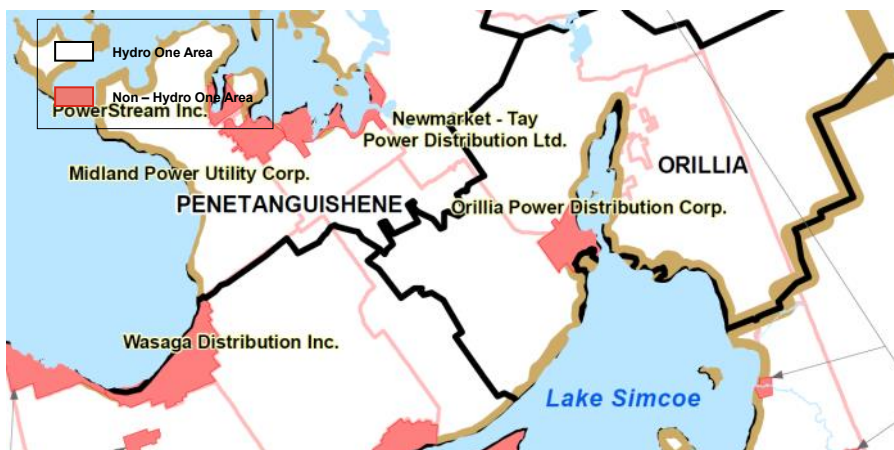
Great Lakes Power Transmission



Key points

- Ontario Energy Board (OEB) Approval received October 13, 2016 and transaction closed October 31, 2016
- Increases Hydro One's transmission coverage to ~98% of province-wide capacity
- Expected to be earnings accretive in first full year
- 560km of high voltage transmission lines, towers and stations
- \$376 million purchase price, including approximately \$150 million of assumed debt, subject to closing adjustments

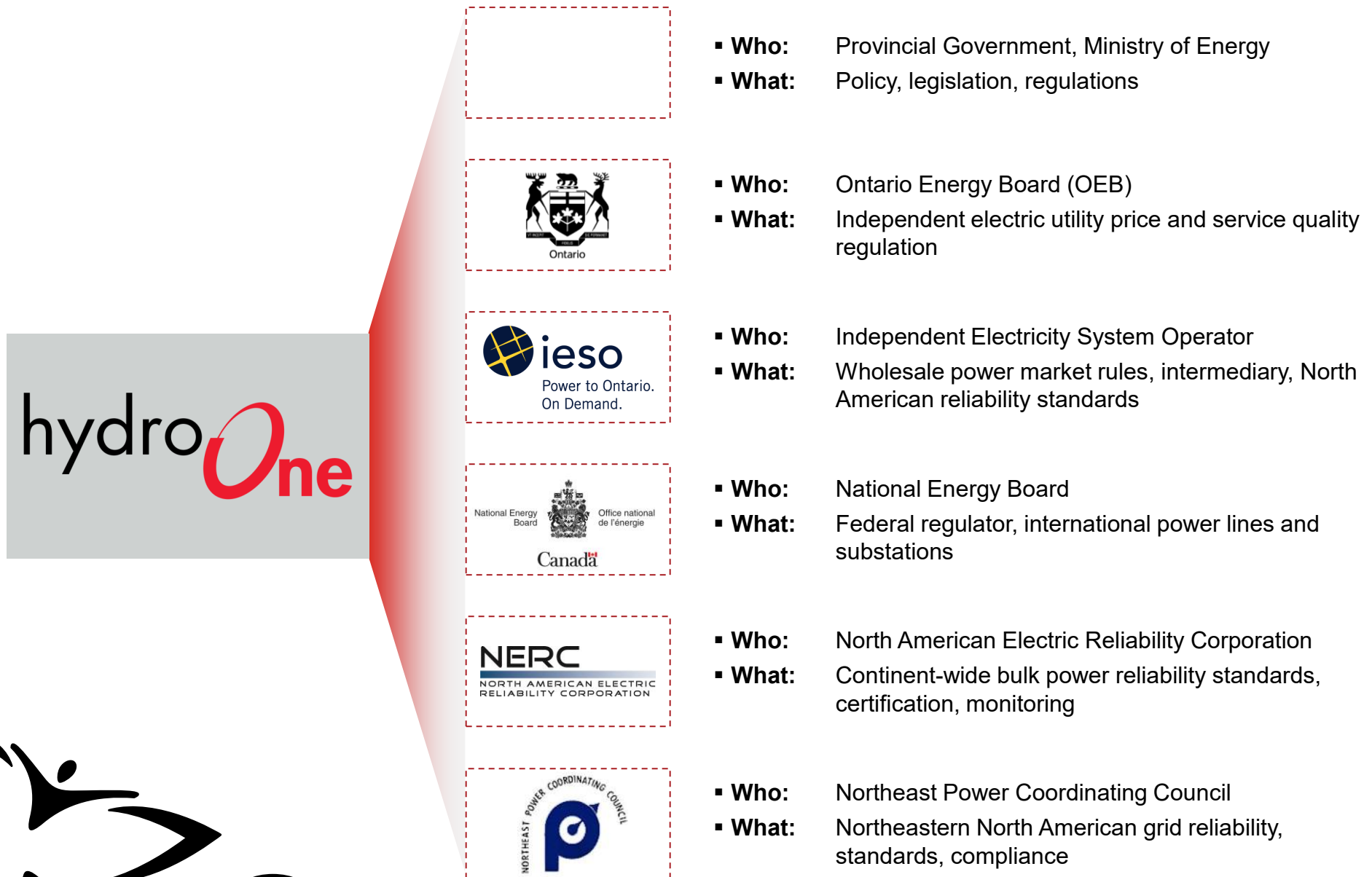
Orillia Power Distribution



Key points

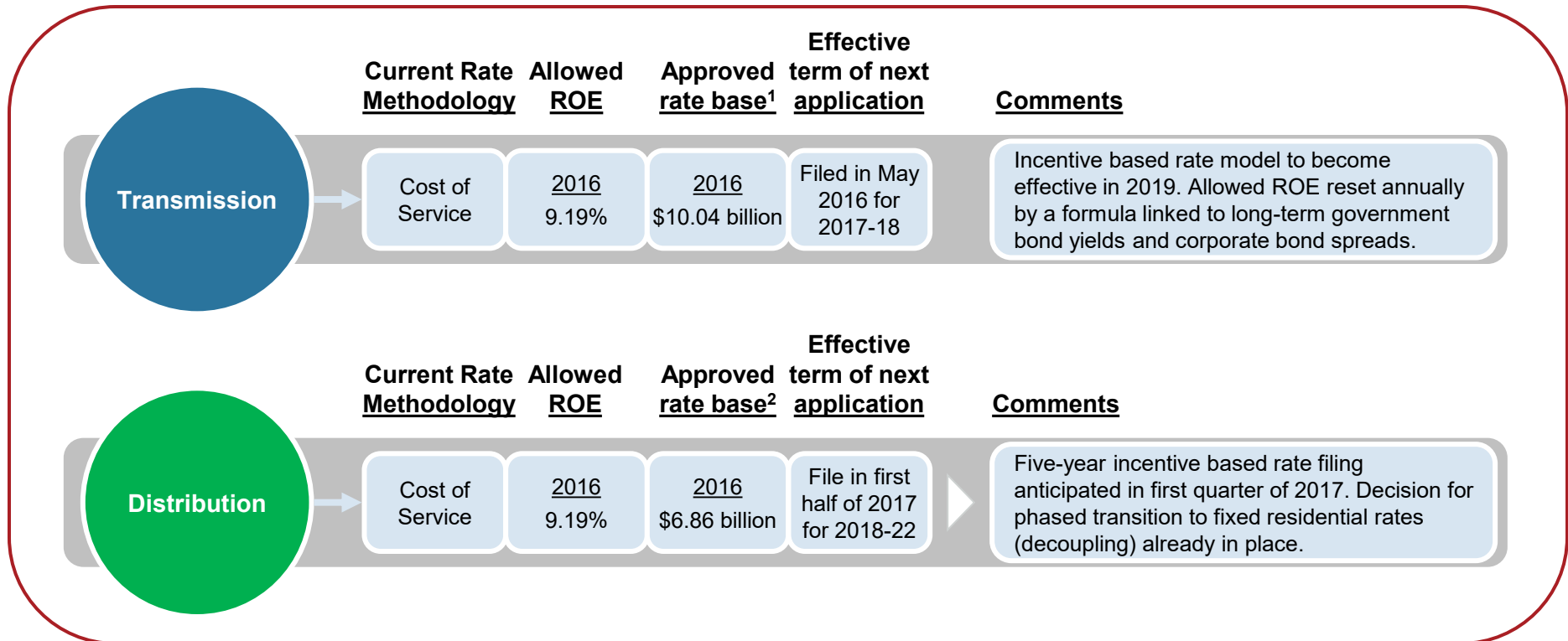
- Transaction announced August 15, 2016
- \$41 million purchase price, including approximately \$15 million of assumed debt and regulatory liabilities, subject to closing adjustments
- Serves 14,000 customers, located in Simcoe County and surrounded by existing Hydro One facilities
- Conditional agreements to build backup grid control center and additional facilities following closing
- Closing subject to OEB approval

Continuing to consolidate the fragmented Ontario electric utility market



Constructive Rate Regulator (OEB)

- Transmission and distribution businesses rate-regulated by the Ontario Energy Board (OEB)
- Deemed debt / equity ratio of 60% / 40% for both transmission and distribution segments
- Hydro One has earned or exceeded its allowed ROE on a consolidated basis over past five years



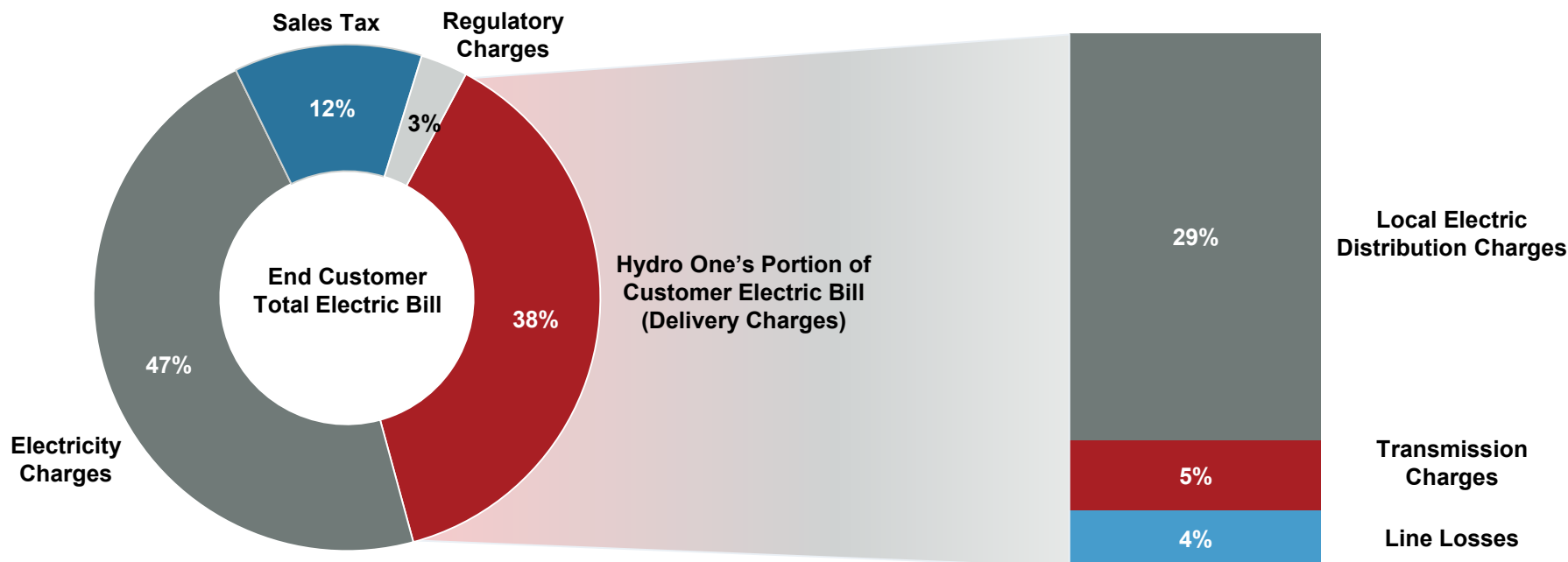
“The Ontario Energy Board’s mandate is embodied in provincial legislation, regulation and directives. The Board’s mission is to promote a viable, sustainable and efficient energy sector that serves the public interest and assists consumers to obtain reliable energy services that are cost effective.”

Consistent, independent regulator with a transparent, predictable rate setting process

(1) Transmission Rate Base excludes 100% of B2M JV Rate Base and excludes pending GLPT acquisition (2) Distribution Rate Base excludes recent acquisitions and Remotes

The Typical Residential Hydro One End Customer Bill

End Customer Monthly Electric Bill Breakdown¹



2016 Changes To Typical End Customer Bill

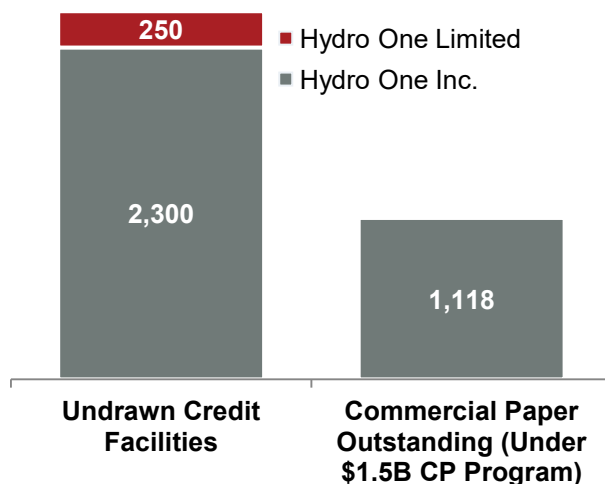
| Change | Customer Bill Impact | Hydro One's Portion |
|--|----------------------------------|--|
| Cancellation of Ontario Clean Energy Benefit | Increase of 11% | Nil |
| Cancellation of Debt Retirement Charge | Decrease of 3.4% | Nil |
| New Distribution Rates and Decoupling ² | Increase of 0.7% | Increase of 0.4% |
| | Total Bill Change: ~ 8.3% | Impact Resulting From Hydro One: 0.4% |

(1) The pie chart represents the breakdown of a typical bill for a Hydro One medium-density residential local distribution end customer using 800 kWh a month with a typical consumption profile (18% of electricity used during on-peak, 18% used mid-peak and 64% used off-peak);

(2) Includes impact of both the new 2016 Distribution revenue requirement, and five year transition to fixed monthly distribution charge for residential customers (decoupling)

Strong Balance Sheet and Liquidity

Significant Available Liquidity (\$M)



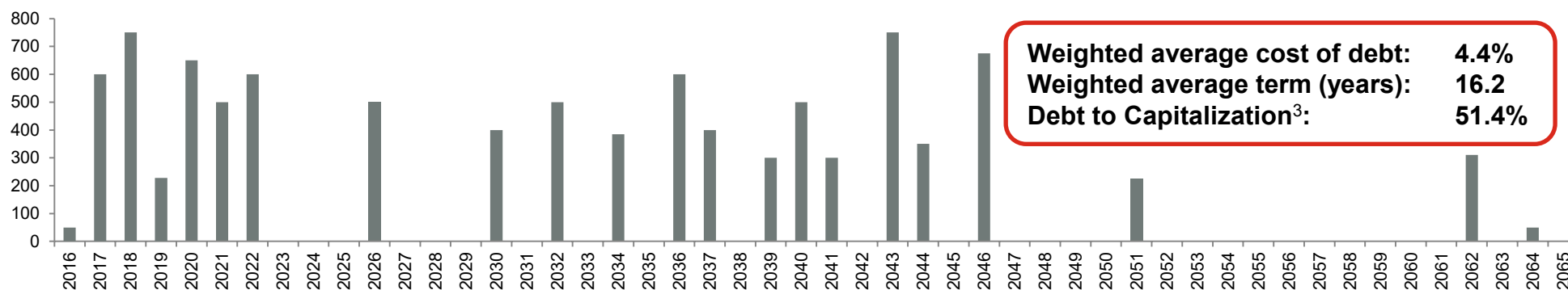
Strong Investment Grade Credit Ratings (LT/ST/Outlook)

| Hydro One Inc. (HOI) | |
|----------------------|-------------------------------|
| S&P | A / A-1/ stable |
| DBRS | A (high) / R-1 (low) / stable |
| Moody's | A3 / Prime-2 / stable |

Shelf Registrations

| |
|--|
| HOL: Universal Shelf ¹ \$8B |
| HOI: Medium Term Note Shelf ² \$3.5B |

Debt Maturity Schedule (\$M)



Investment grade balance sheet with one of lowest debt costs in utility sector

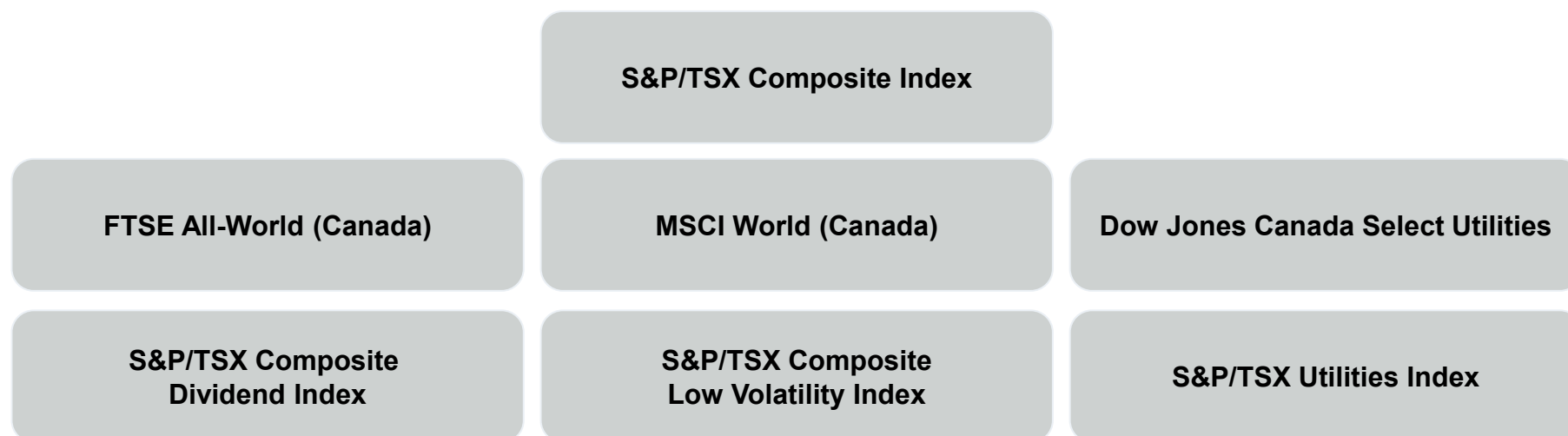
(1) \$1,970 million was drawn from the Universal Shelf during April 2016 with respect to a secondary share offering by the Province, leaving \$6,030 million remaining available until April 2018.

(2) \$1,350 million was drawn from the Medium Term Note Shelf on February 24, 2016, leaving \$2,150 million remaining available until January 2018.

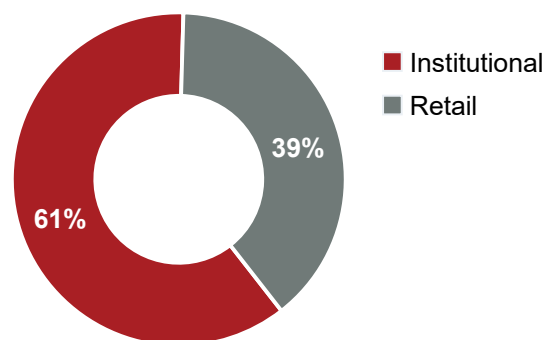
(3) Debt to capitalization ratio has been calculated as net debt divided by net debt plus total shareholder's equity, including preferred shares but excluding any amounts related to non-controlling interest.

Equity Market Cap Overview

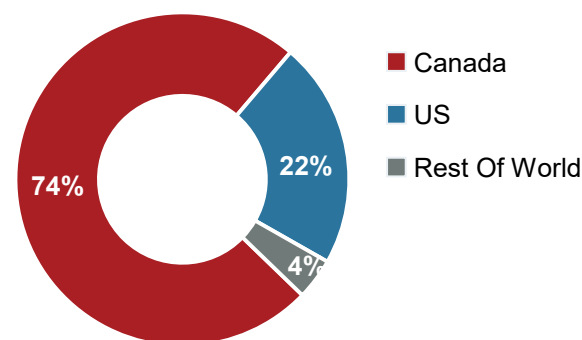
- 595 million common shares outstanding, listed on Toronto Stock Exchange (TSX:H)
- Equity market capitalization of ~\$15 billion and public float of ~\$4.5 billion
- Equity market capitalization amongst the top 30 of all listed Canadian companies
- Secondary offerings by Province increase liquidity without diluting public shareholders
- Equity index inclusions to date:



Approximate Ownership of Public Float



Approximate Geographic Dispersion of Public Float



Dividend Statistics

| | |
|----------------------------------|----------------|
| Yield ¹ | 3.24% |
| Annualized Dividend ² | \$0.84 / share |

(1) Based on closing share price on September 30, 2016

(2) Unless indicated otherwise, all dividends paid by Hydro One Limited to common shareholders are designated as "eligible" dividends for the purpose of the Income Tax Act (Canada)

Expected Upcoming Quarterly Dividend Dates³

| Declaration Date | Record Date | Payment Date |
|-------------------|--------------------|--------------------|
| November 10, 2016 | December 14, 2016 | December 30, 2016 |
| February 9, 2017 | March 14, 2017 | March 31, 2017 |
| May 3, 2017 | June 13, 2017 | June 30, 2017 |
| August 8, 2017 | September 12, 2017 | September 29, 2017 |

(3) All dividend declarations and related dates are subject to Board approval.

Key Points

- Quarterly dividend of \$0.21 per share (\$0.84 annualized) declared November 10, 2016
- The target payout ratio for 2016 is 70% - 80% of net income
- Non-dilutive dividend reinvestment plan (DRIP) implemented post IPO
- Continued rate base expansion driven by capital investments expected to support future dividend growth
- No equity issuance anticipated to fund planned five year capital investment program

Attractive dividend supported by stable, regulated cash flows

- Ontario was the first North American jurisdiction to fully eliminate coal electricity generation, and is home to ~40% of all installed wind capacity and ~99% of all solar capacity in Canada
- Electricity now generated by: nuclear 58%, hydro 23%, natural gas 10%, wind 7%, solar 2%
- One of only four utilities in Canada to achieve the Sustainable Energy Company designation from the Canadian Electrical Association
- Ranked as the top utility in Corporate Knights Canada's 2016 Best Corporate Citizens on a set of 12 sustainability metrics, including carbon productivity and gender diversity in leadership
- Environmental stewards of thousands of kilometers of transmission grid corridor lands, including management of vegetation for habitat preservation and protection of species at risk
- Recently announced five year Ontario Climate Change Action Plan will further accelerate province's leadership in reduction of greenhouse gas emissions
- ISO 14001 Compatible Environmental Management System to identify and proactively manage environmental risks for continual improvement
- Greener Choices program actively engages employees in sustainability improvement efforts for energy efficiency, recycling and waste reduction at work

Transmitting and delivering some of the cleanest energy in North America

- One of the largest electric utilities in North America with significant scale and leadership position in Canada's most populated province
- Unique combination of electric transmission and local distribution, with no material exposure to commodity prices or generation
- 99% of business is rate-regulated in a constructive, stable, transparent and collaborative regulatory environment
- Predictable growth profile with expanding rate base and cash flows, together with broad support for refurbishment of aging infrastructure
- Opportunities to transform to a performance driven culture, capture productivity improvements and transition to incentive based regulatory model
- One of the strongest investment grade balance sheets in the utility sector
- \$0.84 annualized dividend with 70% - 80% target payout ratio and opportunity for dividend growth with rate base expansion, continued consolidation, and efficiency realization
- Float and liquidity increasing without dilution as phased privatization by Province of Ontario progresses
- Fully independent blue chip board together with legislated governance structure allow company to operate autonomously, transform culture and drive shareholder value creation on multiple fronts
- Proven management team with demonstrated experience transforming organizations, accelerating performance and creating significant shareholder value

A unique opportunity to participate in the transformation of a premium, large scale electric utility

Appendix

Hydro One Limited – Third Quarter Financial Summary



| (\$ millions) | Third Quarter | | | Year to Date | | |
|--|---------------|---------------|---------------|---------------|---------------|-------------|
| | 2016 | 2015 | % Change | 2016 | 2015 | % Change |
| Revenue | | | | | | |
| Transmission | \$444 | \$405 | 9.6% | 1,211 | 1,175 | 3.1% |
| <i>Distribution</i> | 1,249 | 1,227 | 1.8% | 3,687 | 3,801 | (3.0%) |
| Distribution (Net of Purchased Power) | 379 | 371 | 2.2% | 1,118 | 1,137 | (1.7%) |
| Other | 13 | 13 | 0.0% | 40 | 40 | 0.0% |
| <i>Consolidated</i> | 1,706 | 1,645 | 3.7% | 4,938 | 5,016 | (1.6%) |
| Consolidated (Net of Purchased Power) | 836 | 789 | 6.0% | 2,369 | 2,352 | 0.7% |
| Earnings Before Financing Charges and Income Taxes (EBIT) | | | | | | |
| Transmission | 247 | 213 | 16.0% | 637 | 598 | 6.5% |
| Distribution | 126 | 121 | 4.1% | 390 | 367 | 6.3% |
| Other | 8 | (8) | - | (14) | (13) | (7.7%) |
| Consolidated | 381 | 326 | 16.9% | 1,013 | 952 | 6.4% |
| Net Income¹ | 233 | 188 | 23.9% | 593 | 547 | 8.4% |
| Adjusted EPS | \$0.39 | \$0.32 | 21.9% | \$1.00 | \$0.92 | 8.7% |
| Diluted Adjusted EPS | \$0.39 | \$0.32 | 21.9% | \$0.99 | \$0.92 | 7.6% |
| Capital Investments | | | | | | |
| Transmission | 241 | 247 | (2.4%) | 714 | 692 | 3.2% |
| Distribution | 181 | 189 | (4.2%) | 502 | 513 | (2.1%) |
| Other | 2 | 2 | - | 4 | 7 | (42.9%) |
| Consolidated | 424 | 438 | (3.2%) | 1,220 | 1,212 | 0.7% |
| <small>Financial Statements reported under U.S. GAAP</small> | | | | | | |
| <small>(1) Net Income is attributable to common shareholders and is after non-controlling interest and dividends to preferred shareholders</small> | | | | | | |

Top Transmission Investment Projects Underway

Development Projects:

| Project Name | Location | Type | Anticipated In Service Date | Estimated Cost | Capital Cost To Date |
|--|-----------------------------------|---------------------------|-----------------------------|----------------|----------------------|
| Clarington Transmission Station | Oshawa area Eastern GTA | New transmission station | 2018 | \$297 million | \$180 million |
| Toronto Midtown Transmission Reinforcement | Toronto South-western Ontario | New transmission line | 2016 | \$123 million | \$110 million |
| Guelph Area Transmission Refurbishment | Guelph area South-western Ontario | Transmission line upgrade | 2016 | \$103 million | \$83 million |

Sustainment Projects:

| Project Name | Location | Type | Anticipated In Service Date | Estimated Cost | Capital Cost To Date |
|--|-----------------------------|----------------------|-----------------------------|----------------|----------------------|
| Bruce A TS 230kV Circuit Breaker Replacement | Bruce A TS Tiverton Ontario | Stations sustainment | 2019 | \$109 million | \$77 million |
| Richview TS Circuit Breaker Replacement | Richview TS Toronto Ontario | Stations sustainment | 2019 | \$102 million | \$60 million |
| Lennox TS Circuit Breaker Replacement | Lennox TS Napanee Ontario | Stations sustainment | 2020 | \$95 million | \$10 million |
| Beck #2 TS Circuit Breaker Replacement | Beck #2 TS Niagara Ontario | Stations sustainment | 2021 | \$93 million | \$13 million |

Largest projects underway are in the Transmission segment and are of medium scale

Fully Independent Board of Directors

David Denison, O.C., FCPA, FCA Currently a Director of Royal Bank of Canada (Audit Committee Chair), Bell Canada, Allison Transmission and of Sinai Health Systems (Vice-Chair). Formerly President and CEO of the Canada Pension Plan Investment Board, President of Fidelity Investments Canada Limited and of Bentall Kennedy LP (Board Chair).

Ian Bourne, ICD.D, F.ICD Currently a Director of Ballard Power Systems (Board Chair) and a Director of Canada Pension Plan Investment Board, Canadian Oil Sands Limited, Wajax Corporation, and the Canadian Public Accountability Board. Formerly the Board Chair and interim CEO of SNC-Lavalin Group, Executive Vice President and CFO of TransAlta Corporation and CEO of TransAlta Power LP.

Charles Brindamour Currently is Chief Executive Officer of Intact Financial Corporation, which, under his leadership, became an independent and widely-held Canadian company in 2009. Currently a board member of Intact Financial Corporation, of the C.D. Howe Institute and of the Insurance Bureau of Canada, and a member of the Advisory Committee of the Climate Change Adaptation Project, an initiative of the University of Waterloo.

Marcello (Marc) Caira Currently a Director of Restaurant Brands International Inc. (Vice-Chairman) and Director of The Minto Group. Formerly President and CEO of Tim Hortons Inc., held extensive senior management and executive roles with Nestlé Canada, Nestlé S.A. and Parmalat North America Inc., including serving as COO of Parmalat Canada Inc. and President and CEO of Parmalat North America.

Christie Clark, FCA, FCPA Currently a Director of Loblaw Companies, Air Canada, Choice Properties Real Estate Investment Trust and a member of the Advisory Council of Queen's University School of Business. Formerly the CEO and Senior Partner of PricewaterhouseCoopers Canada and served as PwC's National Managing Partner and a member of the firm's Executive Committee.

George Cooke A Director of Hydro One since 2010. Currently a Director of OMERS Administration Corporation (Board Chair) and CANATICS (Board Chair). Formerly President, CEO and Director of The Dominion of Canada General Insurance Company, a Director of the Insurance Bureau of Canada, a Director and Executive Vice President of E-L Financial Corporation Limited, Director of Empire Life Insurance and AECL (Atomic Energy of Canada Limited).

Margaret (Marianne) Harris Currently a Director of the Investment Industry Regulatory Organization of Canada (Board Chair) and a Director of Sun Life Financial Inc., Sun Life Assurance Company of Canada and Loblaw Companies Limited. Formerly a Director of Agrium Inc., Managing Director of the Bank of America Merrill Lynch, President of Corporate and Investment Banking for Merrill Lynch Canada Inc. and Group Head RBC Capital Markets.

Mayo Schmidt President and CEO of Hydro One Ltd. and a director of Agrium Inc. Previously President, CEO and a director of Viterra Inc., prior to which he held senior executive positions at ConAgra Food, Inc. and General Mills, Inc.

James Hinds Currently a Corporate Director and the former Board Chair of the Independent Electricity System Operator and of the Ontario Power Authority (Board Chair). A retired investment banker, he previously served as Managing Director of TD Securities Inc., and also held senior positions with CIBC Wood Gundy Inc. and Newcrest Capital Inc.

Kathryn J. Jackson, Ph.D Currently a Director of Portland General Electric. Formerly Senior Vice President and Chief Technology Officer of RTI International Metals, Director of the Independent System Operator New England (Board Chair), Senior Vice President and Chief Technology Officer of Westinghouse Electric, and Executive Vice President of the Tennessee Valley Authority.

Roberta Jamieson C.M., I.P.C, LL.B, LL.D (Hon) Currently the President and CEO of Indspire and a Member of the Elections Canada Advisory Board. Formerly a Director of Ontario Power Generation, elected Chief of the Six Nations of the Grand River Territory and former Ombudsman of Ontario (1989-1999).

Hon. Frances L. Lankin, P.C., C.M. Currently a member of the Senate of Canada, a Director of the Ontario Lottery and Gaming Corporation, the Institute of Corporate Directors and of the National NewsMedia Council (Board Chair). Formerly an MPP and Cabinet Minister, Member of the Queen's Privy Council for Canada and Member of its Security Intelligence Review Committee and President and CEO of the United Way – Toronto.

Philip Orsino, O.C., CPA, FCA Currently a Director of the Bank of Montreal (Audit and Conduct Review Committee Chair), a Consultant for Onex Corporation and Director of The Minto Group. Formerly a Director Clairvest Group Inc. (Audit Committee Chair), Biox Corporation (Board Chair), University Health Network (Board Chair), President and CEO Jeld-Wen Inc. and President and CEO of Masonite International Corporation.

Jane Peverett, FCMA, ICD.D Currently a Director of the Canadian Imperial Bank of Commerce (Audit Committee Chair), Director Encana Corporation (Audit Committee Chair), AEGIS Insurance Services and Northwest Natural Gas (Portland, Oregon). Formerly a Director of the Canadian Electricity Association, President and CEO of the British Columbia Transmission Corporation and President and CEO of Union Gas.

Gale Rubenstein A Director of Hydro One since 2007. Currently a Partner of Goodmans LLP and a member of the firm's Executive Committee and a Director of the Insolvency Institute of Canada.

DISCLAIMERS

In this presentation, all amounts are in Canadian dollars, unless otherwise indicated. Any graphs, tables or other information in this presentation demonstrating the historical performance of the Company or any other entity contained in this presentation are intended only to illustrate past performance of such entities and are not necessarily indicative of future performance of Hydro One. In this presentation, “Hydro One” refers to Hydro One Limited and its subsidiaries and other investments, taken together as a whole.

Forward-Looking Information

This presentation contains “forward-looking information” within the meaning of applicable Canadian securities laws. Forward-looking information in this presentation is based on current expectations, estimates, forecasts and projections about Hydro One’s business and the industry in which Hydro One operates and includes beliefs of and assumptions made by management. Such statements include, but are not limited to: statements related to dividends, including expectations regarding the ability of continued rate base expansion through capital investments to drive growth in dividends; statements related to the Great Lakes Power transmission acquisition; expectations regarding the core priorities of the Company; statements regarding the Company’s maturing debt, shelf registrations, and credit facilities; expectations regarding funding for planned capital investments; and statements related to rate applications.

Words such as “aim”, “could”, “would”, “expect”, “anticipate”, “intend”, “attempt”, “may”, “plan”, “will”, “believe”, “seek”, “estimate”, “goal”, “target”, and variations of such words and similar expressions are intended to identify such forward-looking information. These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed, implied or forecasted in such forward-looking information. Hydro One does not intend, and it disclaims any obligation to update any forward-looking information, except as required by law.

The forward-looking information in this presentation is based on a variety of factors and assumptions, as described in the financial statements and management’s discussion and analysis. Actual results may differ materially from those predicted by such forward-looking information. While Hydro One does not know what impact any of these differences may have, Hydro One’s business, results of operations and financial condition may be materially adversely affected if any such differences occur. Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information are described in the financial statements and management’s discussion and analysis.

Non-GAAP Measures

Hydro One prepares and presents its financial statements in accordance with U.S. GAAP. “Funds from Operations” or “FFO” and “Adjusted Earnings Per Share” are not recognized measures under U.S. GAAP and do not have a standardized meanings prescribed by U.S. GAAP. This is therefore unlikely to be comparable to similar measures presented by other companies. Funds from Operations should not be considered in isolation nor as a substitute for analysis of Hydro One’s financial information reported under U.S. GAAP. “Funds from Operations” or “FFO” is defined as net cash from operating activities, adjusted for the following: (i) changes in non-cash balances related to operations, (ii) dividends paid on preferred shares, and (iii) non-controlling interest distributions. Management believes that these measures will be helpful as a supplemental measure of the Company’s operating cash flows and earnings. For more information, see “Non-GAAP Measures” in Hydro One’s 2015 full year MD&A.

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