

The logo for Hydro One, featuring the word "hydro" in a lowercase sans-serif font and "One" in a larger, stylized font with a white outline, set against a blue background.

hydroOne

First Quarter 2022

Earnings Teleconference
May 5, 2022

A photograph of an electrician in a red jacket and green hard hat, seen from the side, looking towards a large metal power transmission tower. The sun is low in the sky, creating a bright lens flare behind the worker. The background is a clear blue sky with other power lines visible in the distance.

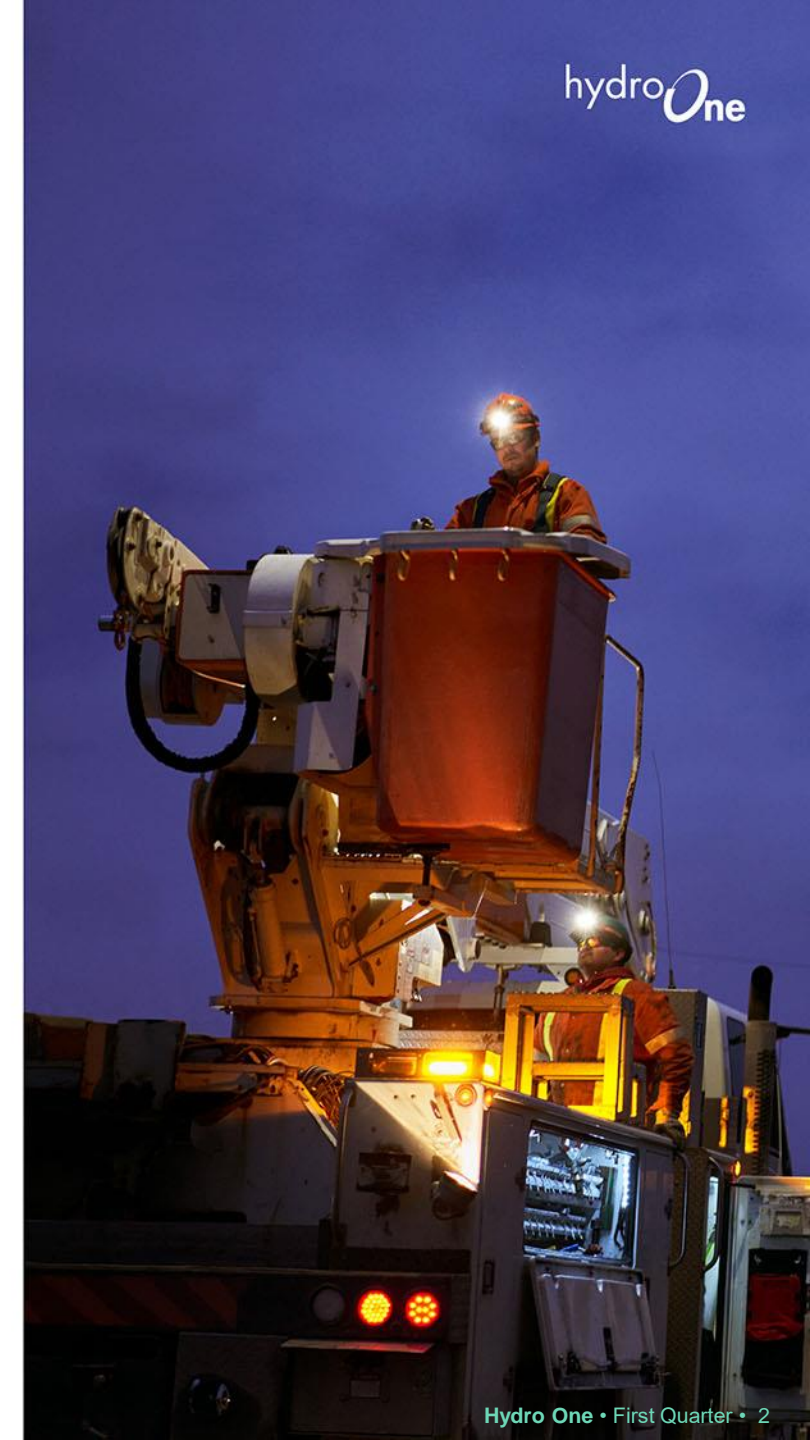
One of North America's largest electric utilities TSX:H

1Q22 Financial summary

First Quarter

Year End

(millions of dollars, except EPS)	2022	2021	% Change	2021	2020	% Change
Revenue						
Transmission	519	448	15.8%	1,824	1,740	4.8%
Distribution	1,517	1,354	12.0%	5,359	5,507	(2.7)%
Distribution Revenues(Net of Purchased Power) ²	503	460	9.3%	1,780	1,653	7.7%
Other	11	9	22.2%	42	43	(2.3)%
Consolidated	2,047	1,811	13.0%	7,225	7,290	(0.9)%
Consolidated (Net of Purchased Power)	1,033	917	12.6%	3,646	3,436	6.1%
OM&A Costs	288	282	2.1%	1,112	1,070	3.9%
Earnings before financing charges and income taxes (EBIT)						
Transmission	295	229	28.8%	942	890	5.8%
Distribution	222	193	15.0%	694	617	12.5%
Other	(9)	(10)	10.0%	(24)	(25)	4.0%
Consolidated	508	412	23.3%	1,612	1,482	8.8%
Net income ¹	310	268	15.7%	965	1,770	(45.5)%
Adjusted net income ^{1,2}	310	268	15.7%	965	903	6.9%
Basic EPS	\$0.52	\$0.45	15.6%	\$1.61	\$2.96	(45.6)%
Basic Adjusted EPS ^{1,2}	\$0.52	\$0.45	15.6%	\$1.61	\$1.51	6.6%
Capital investments	449	527	(14.8)%	2,125	1,878	13.2%
Assets placed in-service						
Transmission	120	48	150.0%	1,008	948	6.3%
Distribution	105	106	(0.9)%	738	684	7.9%
Other	4	3	33.3%	11	7	57.1%
Total assets placed in-service	229	157	45.9%	1,757	1,639	7.2%



Financial Statements reported under United States (US) generally accepted accounting principles (GAAP).

1. Net income is attributable to common shareholders and is after non-controlling interest, and dividends to preferred shareholders.

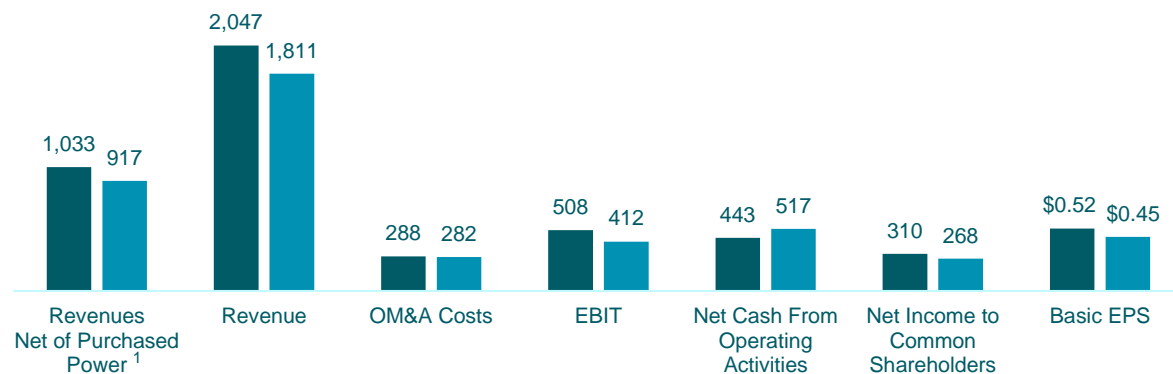
2. Revenues, Net of Purchased Power, Adjusted Net Income and Basic Adjusted EPS are non-GAAP financial measures. Non-GAAP financial measures do not have a standardized meaning under US GAAP, which is used to prepare the Company's financial statements and accordingly, these measures might not be comparable to similar financial measures presented by other entities. Additional disclosure for these non-GAAP financial measures are incorporated by reference herein and can be found under the section titled "Non-GAAP Measures" in the annual management's discussion and analysis of Hydro One Limited (HOL) for the year ended December 31, 2021 (Annual MD&A) available on SEDAR under the Company's profile at www.sedar.com.

1Q22 Financial summary

The Company continues to focus on facilitating economic growth in Ontario and announces a landmark agreement with First Nations

Financial Highlights (\$M) – 1Q22 Year over Year Comparison

■ 1Q 2022 ■ 1Q 2021



Selected Financial Highlights:

The year-over-year increase of \$71 million or 15.8% in quarterly transmission revenues was primarily due to the following:

- Recovery of deferred tax asset (DTA) amounts previously shared with ratepayers (DTA Recovery Amounts) and the adjustment to transmission rates effective January 1, 2022 to cease sharing of DTA amounts going forward, pursuant to the DTA Implementation Decision; higher peak demand; and higher revenue resulting from OEB-approved 2022 rates.

The year-over-year increase of \$43 million or 9.3% in quarterly distribution revenues, net of purchased power¹, was primarily due to the following:

- Higher revenues resulting from OEB-approved 2022 rates; DTA Recovery Amounts and the adjustment to distribution rates effective January 1, 2022 to cease sharing of DTA amounts going forward, pursuant to the DTA Implementation Decision; and higher energy consumption.

The year-over-year quarterly transmission OM&A costs was in-line with prior year

The year-over-year increase of \$4 million or 2.4% in distribution OM&A costs during the quarter was primarily due to:

- Higher allowance for doubtful accounts; and higher asset write-offs; partially offset by lower spend on lines maintenance work.

Income tax expense for the first quarter of 2022 increased by \$53 million compared to the same period in 2021. This resulted in a realized effective tax rate of approximately 20.2% in the first quarter of 2022, compared to approximately 8.8% in the first quarter of the prior year. The increase was primarily due to:

- Tax expense resulting from the DTA Implementation Decision; and higher pre-tax earnings; partially offset by higher deductible timing differences.

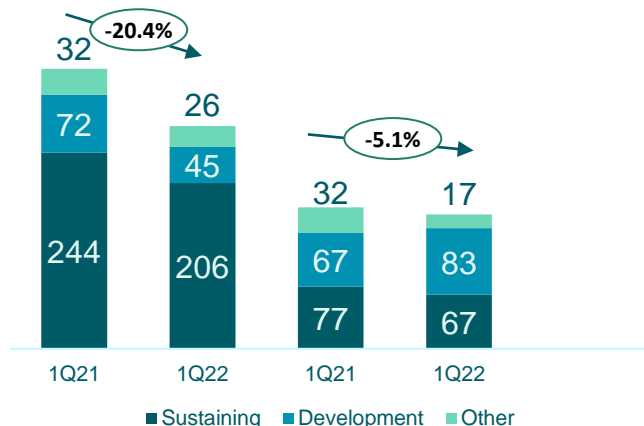
Hydro One made capital investments to maintain the safety, reliability and integrity of its transmission and distribution system assets and to provide for the ongoing growth and modernization required to meet the expanding and evolving needs of its customers and the electricity market.

- Transmission capital investments decreased by \$71 million or 20.4% in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021
- Distribution capital investments decreased by \$9 million or 5.1% in the quarter ended March 31, 2022 compared to the quarter ended March 31, 2021.

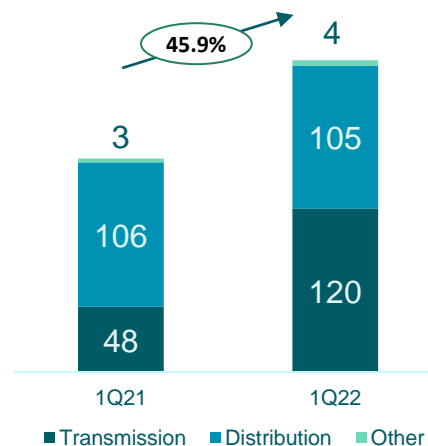
Regulated Capital Investments (\$M)

Transmission

Distribution



Assets Placed in Service (\$M)



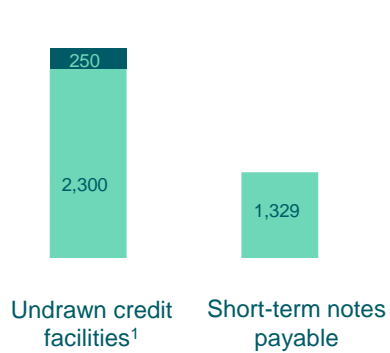
¹ Revenues, Net of Purchased Power is a non-GAAP financial measure. Non-GAAP financial measures do not have a standardized meaning under US GAAP, which is used to prepare the Company's financial statements and accordingly, these measures might not be comparable to similar financial measures presented by other entities. Additional disclosure for these non-GAAP financial measures are incorporated by reference herein and can be found under the section titled "Non-GAAP Measures" in the Annual MD&A available on SEDAR under the Company's profile at www.sedar.com.

Strong balance sheet and liquidity

(as at March 31, 2022)

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

Significant available liquidity (\$M)



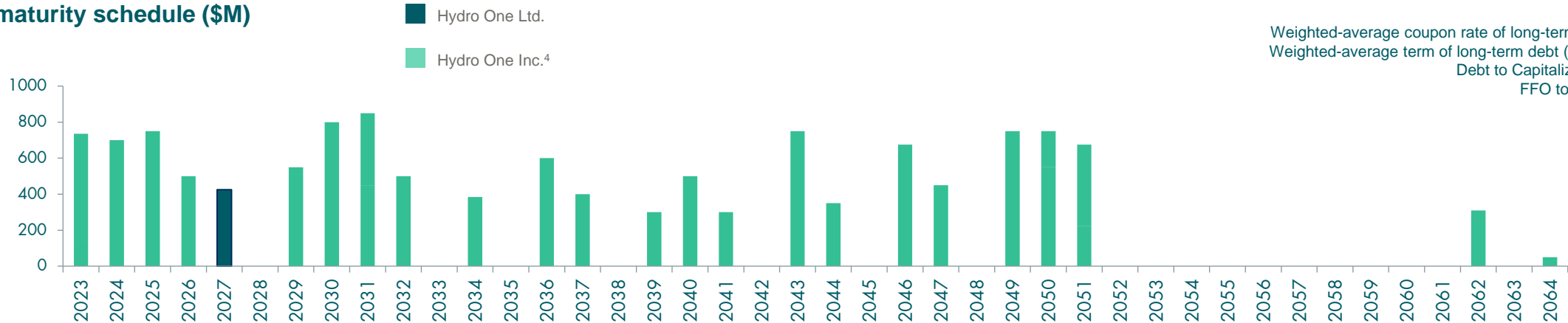
Strong investment grade debt ratings (long-term/short-term/outlook)

	Hydro One Ltd. (HOL)	Hydro One Inc. (HOI)
S&P	BBB+ / n/a / stable	A- / A-1 (low) / stable
DBRS	A / n/a / stable	A (high) / R-1 (low) / stable
Moody's	n/a	A3 / Prime-2 / stable

Shelf registrations

HOL Universal shelf ² \$2.0B
HOI Medium term note shelf ³ \$4.0B

Debt maturity schedule (\$M)



Weighted-average coupon rate of long-term debt: 3.8%
 Weighted-average term of long-term debt (years): 15.2
 Debt to Capitalization⁵: 56.4%
 FFO to Debt⁶: 14.7%

1. In January 2022, Hydro One successfully amended its Operating Credit Facilities to add Sustainability Linked Pricing to incorporate environmental, social and governance (ESG) targets.
 2. In August 2020, HOL filed the Universal Base Shelf Prospectus with securities regulatory authorities in Canada, which allows it to offer, from time to time in one or more public offerings, up to \$2.0 billion of debt, equity or other securities, or any combination thereof, and expires in September 2022. At March 31, 2022, \$1.575 billion remained available for issuance under the Universal Base Shelf Prospectus.
 3. In April 2020, Hydro One Inc. (HOI) filed a Medium Term Note (MTN) Program prospectus, which has a maximum authorized principal amount of notes issuable of \$4.0 billion, expiring in May 2022. At March 31, 2022, \$1.9 billion remained available for issuance under the MTN Program prospectus. A new MTN Program prospectus is expected to be filed in the first half of 2022.
 4. Includes long-term debt of Hydro One Sault Ste. Marie LP, a subsidiary of Hydro One Inc., in the principal amount of \$136 million due in 2023.
 5. Debt to capitalization is a non-GAAP ratio. Non-GAAP ratios do not have a standardized meaning under GAAP used to prepare the Company's financial statements and might not be comparable to similar financial measures presented by other entities. See the section titled "Non-GAAP Measures" in the MD&A for a discussion of this non-GAAP ratio and its component elements. Debt to capitalization ratio has been calculated as total debt (including total long-term debt and short-term borrowings, net of cash and cash equivalents) divided by total debt plus total shareholders' equity, but excluding any amounts related to noncontrolling interest. Management believes that the debt to capitalization ratio is helpful as a measure of the proportion of debt in the Company's capital structure.
 6. FFO to Debt is a non-GAAP ratio. Non-GAAP ratios do not have a standardized meaning under US GAAP used to prepare the Company's financial statements and might not be comparable to similar financial measures presented by other entities. FFO to Debt has been calculated as: FFO for the last twelve months ending March 31, 2022 divided by total debt (including total long-term debt, and short-term borrowings, net of cash and cash equivalents). Management believes that FFO is helpful as a supplemental measure of the Company's operating cash flows as it excludes timing-related fluctuations in non-cash operating working capital and cash flows not attributable to common shareholders. As such, management believes that FFO provides a consistent measure of the cash generating performance of the Company's assets. See the section titled "Non-GAAP Measures" in the MD&A for a discussion of the component elements.

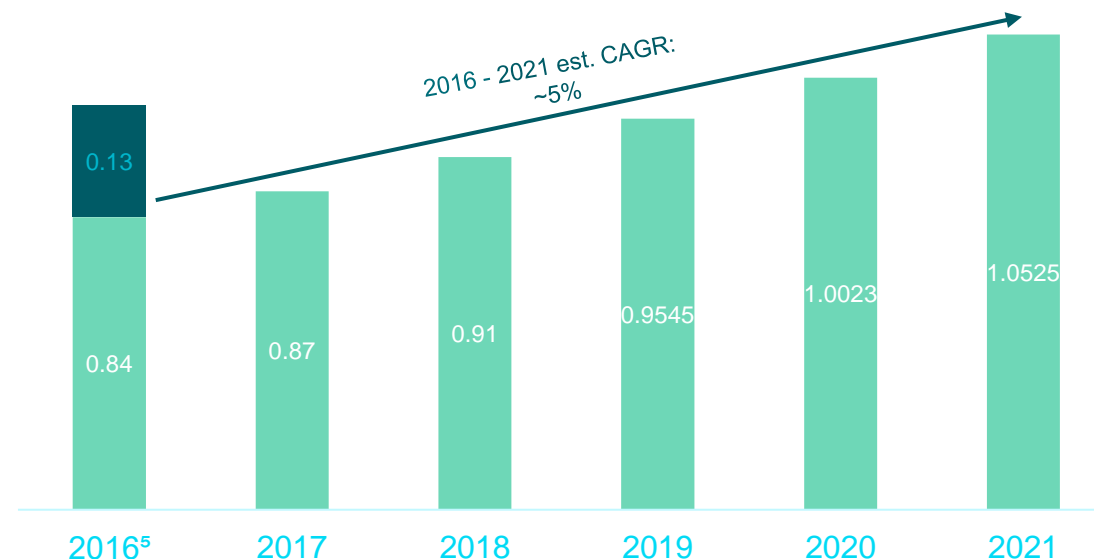
Common share dividends

Key Points

- Quarterly dividend declared at \$0.2796 per common share (\$1.1184 annualized)
- Targeted dividend payout ratio remains at 70% - 80% of net income
- Attractive and growing dividend supported by stable, regulated cash flows and planned rate base growth
- No equity issuance anticipated to fund planned capital investment program
- Non-dilutive dividend reinvestment plan (DRIP) was implemented post IPO (shares purchased on open market, not issued from treasury)

Dividend Statistics	
Yield ¹	3.3%
Annualized Dividend ^{2 3}	\$1.1184 / share

A Growing and Sustainable Dividend⁴



Expected Quarterly Dividend Dates³

Declaration date	Record date	Payment date
May 4, 2022	June 8, 2022	June 30, 2022
August 8, 2022	September 14, 2022	September 29, 2022
November 10, 2022	December 14, 2022	December 31, 2022

1. Based on closing share price on March 31, 2022. Yield is based on annualized dividend.
 2. Unless indicated otherwise, all common share dividends are designated as "eligible" dividends for the purpose of the *Income Tax Act* (Canada)
 3. All dividend declarations and related dates are subject to Board approval.
 4. Denotes annual cash dividends paid
 5. The first common share dividend declared by Hydro One Ltd. following the November 5, 2015 initial public offering of its common stock included 13 cents for the post IPO fourth quarter period of November 5 through December 31 2015.

Forward Looking Information

This presentation contains “forward-looking information” within the meaning of applicable Canadian securities laws that 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 of Hydro One. Such information includes, but is not limited to: statements regarding Hydro One’s projected rate base and cash flows; statements and expectations regarding Hydro One’s maturing debt and standby credit facilities; expectations regarding future equity issuances; statements related to dividends, including expected dividend growth and Hydro One Limited’s targeted payout ratio of 70-80%; and statements related to credit ratings.

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 expression 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. In particular, the forward-looking information contained in this presentation is based on a variety of factors and assumptions including, but not limited to: the scope of the COVID-19 pandemic and duration thereof as well as the effect and severity of corporate and other mitigation measures on Hydro One’s operations, supply chain or employees; no unforeseen changes in the legislative and operating framework for Ontario’s electricity market or for Hydro One specifically; favourable decisions from the Ontario Energy Board and other regulatory bodies concerning outstanding and future rate and other applications; no unexpected delays in obtaining required approvals; no unforeseen changes in rate orders or rate setting methodologies for Hydro One’s distribution and transmission businesses; the continued use and availability of U.S. GAAP; no unfavourable changes in environmental regulation; a stable regulatory environment; no significant changes to Hydro One’s current credit ratings; no unforeseen impacts of new accounting pronouncements; no changes to expectations regarding electricity consumption; no unforeseen changes to economic and market conditions; recoverability of costs and expenses related to the COVID-19 pandemic, including the costs of customer defaults resulting from the pandemic; completion of operating and capital projects that have been deferred; and no significant event occurring outside the ordinary course of business. These assumptions are based on information currently available to Hydro One including information obtained by Hydro One from third-party sources. 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, financial condition and credit stability 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 discussed in more detail in the sections entitled “Forward-Looking Information” and “Risk Factors” in Hydro One Limited’s most recent annual information form, the sections entitled “Risk Management and Risk Factors” and “Forward-Looking Statements and Information” in Hydro One Limited’s most recent annual management’s discussion and analysis of the financial condition and results of operations and the section entitled “Forward-Looking Statements and Information” in Hydro One Limited’s most recent interim management’s discussion and analysis of financial condition and results of operation. Hydro One does not intend, and it disclaims any obligation to update any forward-looking information, except as required by law.