Second Quarter 2020

Earnings Teleconference

August 11th, 2020

One of North America's largest electric utilities

TSX:H

HYDRO ONE RESPONDS TO COVID-19

How our customers are being supported

We announced a Pandemic Relief Fund to assist customers affected by the COVID-19 and offer **financial assistance as well as increased payment flexibility** to customers.

Hydro One **temporarily suspended late payment fees** for all customers.

We **returned ~$5 million** in security deposits, collected from newly connected customers, to **over 4,000 eligible commercial businesses**.

We extended our Winter Relief program so that **no customers will have their power disconnected** during this difficult time.

Providing critical aid to First Nation and Métis communities, scholarships for young Indigenous leaders and supporting the Indigenous economy.

The Government of Ontario is providing **immediate electricity rate relief** for families, small businesses and farms paying time-of-use (TOU) rates.

We launched a **Free Early Payment program** to support our Indigenous and small & medium sized business suppliers in Ontario.

We announced additional support for customers by **extending the ban on residential electricity disconnections**

For more information: www.HydroOne.com/ReliefFund

SUSTAINABILITY AT HYDRO ONE

For Hydro One, sustainability means that we are committed to operating safely in an environmentally and socially responsible manner and to partnering with our customers and community stakeholders to build a brighter future for all

Approach to Sustainability

We are focusing on our three priority ESG issues (i) climate change and extreme weather; (ii) community and Indigenous partnerships and (iii) diversifying talent.

hydroone.com/sustainability

A Matrix of 10 Material Issues Identified[1]

A Sustainable Future for All (2019)

- 50% Board of Directors diversity (Independent Non-Executive)
- $1.7 billion in capital investments to expand electricity grid and renew and modernize existing infrastructure
- Recognized by the Canadian Electricity Association for leadership in providing Indigenous procurement opportunities
- $41.3 million Total procurement spending with Indigenous businesses – our highest ever spend
- Almost 90% customer satisfaction with our Indigenous customers
- $2.8 million In sponsorships and donations in communities where we live and work
- Designated as a Sustainable Electricity Company by the Canadian Electricity Association
- Recognized as one of the Best 50 Corporate Citizens in Canada by Corporate Knights

1) Material issues identified are found in the top right unshaded corner of Matrix

2Q20 FINANCIAL SUMMARY

	Second Quarter			YTD		
(millions of dollars, except EPS)	**2020**	**2019**	**% Change**	**2020**	**2019**	**% Change**
Revenue						
Transmission	$459	$374	22.7%	$859	$802	7.1%
Distribution	*1,201*	*1,029*	16.7%	*2,640*	*2,350*	12.3%
Distribution (Net of Purchased Power)	393	376	4.5%	825	890	(7.3%)
Other	10	10	-	21	20	5.0%
Consolidated	*1,670*	*1,413*	18.2%	*3,520*	*3,172*	11.0%
Consolidated (Net of Purchased Power)	862	760	13.4%	1,705	1,712	(0.4%)
OM&A Costs	270	267	1.1%	535	683	(21.7%)
Earnings Before Financing Charges and Income Taxes (EBIT)						
Transmission	236	159	48.4%	422	375	12.5%
Distribution	150	118	27.1%	336	388	(13.4%)
Other	(7)	(5)	-40.0%	(13)	(167)	92.2%
Consolidated	379	272	39.3%	745	596	25.0.%
Net Income (Loss) [1]	1,103	155	611.6%	1,328	326	307.4%
Adjusted Net Income (Loss) [1,2]	236	155	52.3%	461	466	(1.1%)
Basic EPS	$1.84	$0.26	607.7%	$2.22	$0.55	303.6%
Basic Adjusted EPS[1]	$0.39	$0.26	50.0%	$0.77	$0.78	(1.3%)
Capital Investments	429	370	15.9%	801	681	17.6%
Assets Placed In Service						
Transmission	58	161	(64.0%)	187	215	(13.0%)
Distribution	107	114	(6.1%)	202	202	-
Other	-	1	(100.0%)	1	4	(75.0%)
Total assets placed in-service	165	276	(40.2%)	390	421	(7.4%)

Financial Statements reported under U.S. GAAP

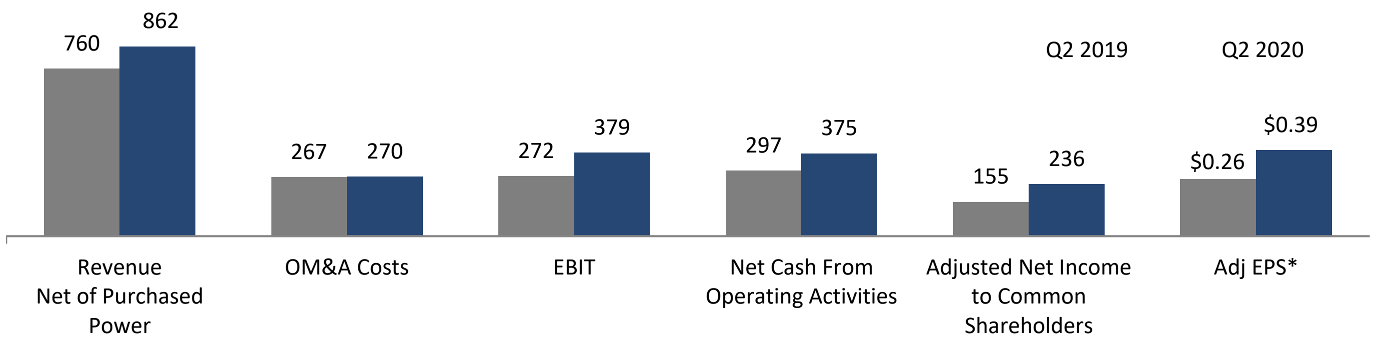
(1) Net Income is attributable to common shareholders and is after non-controlling interest, dividends to preferred shareholders,

(2) Adjusted Net Income excludes items related to the Avista Corporation acquisition and impacts related to the ODC Decision and the OEB's DTA Decision on Hydro One Networks' distribution and transmission businesses.

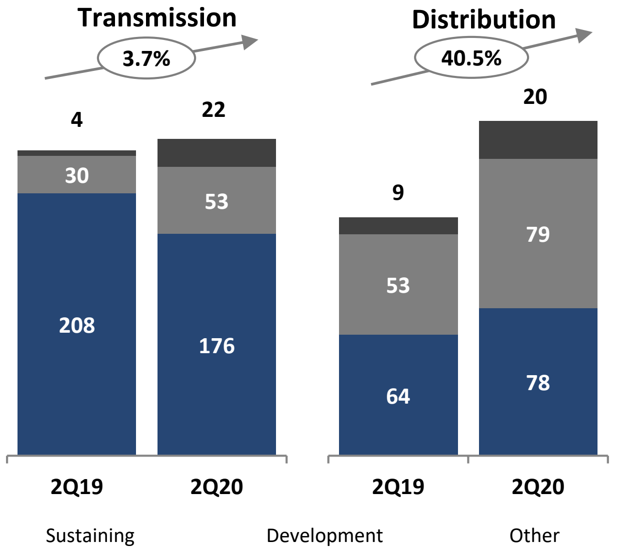
2Q20 FINANCIAL SUMMARY

Hydro One energizes life in Ontario with a focus on sustainability and the safe return to normal operations while supporting customers and communities

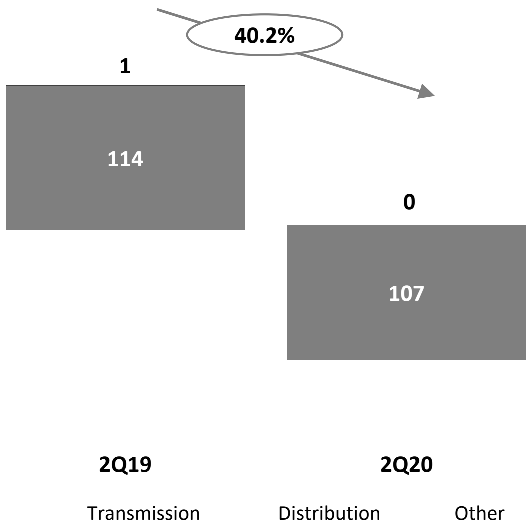
Financial Highlights ($M) – 2Q20 Year over Year Comparison



Regulated Capital Investments ($M)



Assets Placed in Service ($M)



Selected Financial Highlights:

Revenues Net of Purchased Power increased by 13.4% during the quarter ended June 30st, 2020 compared to the second quarter in 2019, primarily due to the following:

- Higher transmission revenues due to higher peak demand driven by favourable weather;
- Recognition of the 2020 transmission decision received in the second quarter, including approved rates retroactive to January 1, 2020, recovery of certain OPEB[1] cost components through OM&A that were previously capitalized and recovered through rate base; recognition of CDM[2] revenue; and;
- Higher revenues related to Niagara Reinforcement LP assets placed in-service in the third quarter of 2019.
- Higher distribution revenues, net of purchase power due to higher revenues resulting from higher 2020 distribution rates.

The increase in transmission OM&A costs for the quarter ended June 30, 2020 versus the second quarter in 2019 was primarily due to cost related to COVID-19, consisting of labour-related costs and direct expenses, including purchase of additional facility-related and cleaning supplies. The increase was also due to additional OPEB costs that are recognized in OM&A following the 2020 OEB transmission decision and recovered in rates, therefore net income neutral. These were partially offset by lower spending on station maintenance work; lower work program expenditures as the Company prioritized essential and high priority work and temporarily deferred other work; lower corporate support costs.

The increase of $2 million or 1.7% in financing charges for the quarter ended June 30, 2020 was primarily due to:

- Higher interest expense on long-term debt as a result of increased debt levels largely driven by the debt issuances completed in the first quarter of 2020.

Income tax recovery was $849 million for the three months ended June 30, 2020, compared to an income tax recovery of $6 million in the same quarter in 2019. The increase in income tax recovery for the three months ended June 30, 2020 was primarily attributable to the following:

- Income tax recovery following the July 2020 ODC[3] Decision; and
- Higher net tax deductions primarily related to CCA in excess of depreciation; partially offset by
- Higher income before taxes.

1) *OPEB: Other post-employment benefit*
2) *CDM: Conservation and Demand Management*
3) *ODC: Ontario Divisional Court*

** Adjusted Net Income excludes items related to the Avista Corporation acquisition and impacts related to the ODC Decision and the OEB's DTA Decision on Hydro One Networks' distribution and transmission businesses*

CONSTRUCTIVE RATE REGULATOR (OEB)

Consistent, independent regulator with a transparent rate-setting process

- 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
- Reduced regulatory lag through forward-looking test years, revenue decoupling and adjustment mechanisms
- Received a decision for distribution rates under the OEB's Custom Incentive Rate Making model on March 7, 2019 for 2018 – 2022 (5-year term)
- Received a decision on transmission revenue requirement under the OEB's Custom Incentive Rate Making model on April 23, 2020, for 2020 – 2022 (3-year term)

	Current rate methodology	Allowed ROE	Expected rate base[1]	Effective term of application	Comments
Transmission	Custom IR	2020 8.52%	2020 $13.2 billion	2020-22	Custom incentives rates. Decision for 2020-2022 transmission revenue requirement received.

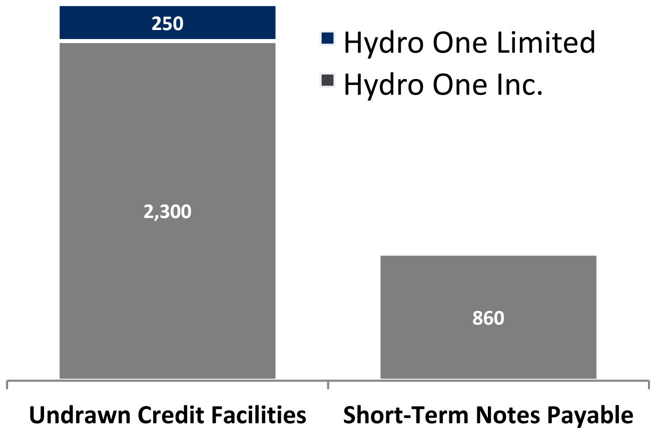
	Current rate methodology	Allowed ROE	Expected rate base[2]	Effective term of application	Comments
Distribution	Custom IR	2020 9.00%	2020 $8.5 billion	2018-22	Custom incentive rates. Decision for 2018-2022 distribution rates received. 2020 annual update approved in Q4 of 2019 to reflect the latest inflation assumptions.

(1) Transmission rate base includes 100% of B2M LP, Niagara Reinforcement Limited Partnership and Hydro One Sault Ste. Marie Limited Partnership.
(2) Distribution Rate Base includes recent LDC acquisitions (Peterborough Distribution Inc.) and Hydro One Remote Communities.

STRONG BALANCE SHEET AND LIQUIDITY (as at June 30, 2020)

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

Significant Available Liquidity ($M)



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

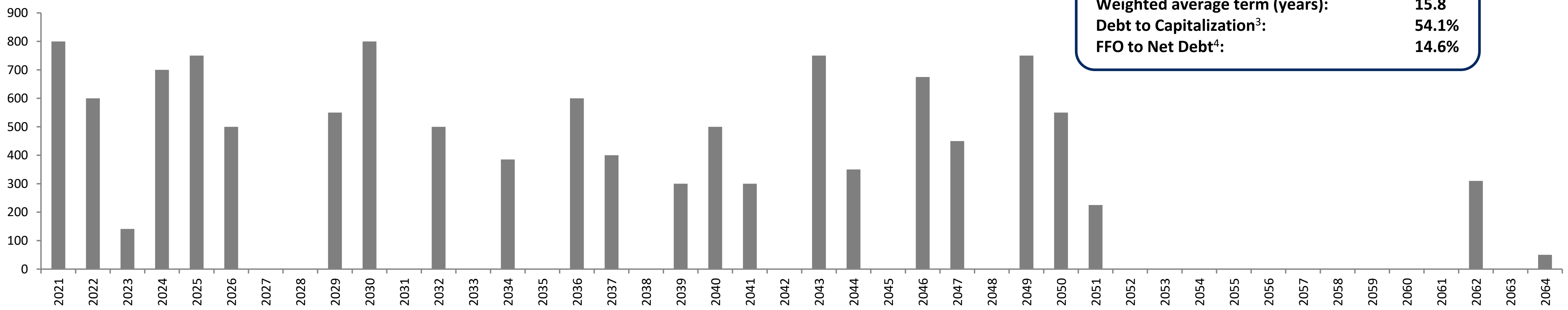
Hydro One Inc. (HOI)	
S&P	A- / A-1 (low) / stable
DBRS	A (high) / R-1 (low) / stable
Moody s	A3 / Prime-2 / stable

Shelf Registrations

HOL:
Universal Shelf[1]: $4.0B

HOI:
Medium Term Note Shelf[2]:
$4.0B

Weighted average cost of long-term debt:	4.1%
Weighted average term (years):	15.8
Debt to Capitalization[3]:	54.1%
FFO to Net Debt[4]:	14.6%



(1) The Universal Base Shelf Prospectus allows Hydro One to offer, from time to time in one or more public offerings, up to $4.0 billion of debt, equity or other securities, or any combination thereof, during the 25-month period ending on July 18, 2020. At June 30, 2020, no securities have been issued under the Universal Base Shelf Prospectus. Hydro One Limited filed the Universal Base Shelf Prospectus to provide the Company with financing flexibility going forward. The Company plans to file a new Universal Base Shelf Prospectus in the third quarter of 2020.

(2) A Medium Term Note Program prospectus was filed in April 2020, which has a maximum authorized principal amount of notes issuable of $4.0 billion until May 2022. At June 30, 2020, $4.0 billion remained available for issuance under this Medium Term Note Program prospectus.

(3) Debt to capitalization ratio has been calculated as total net debt (includes total long-term debt and short-term borrowings, net of cash and cash equivalents) divided by total debt plus total shareholders' equity, including preferred shares but excluding any amounts related to noncontrolling interest.

(4) FFO to Net Debt for the last twelve months ending June 30, 2020.

COMMON SHARE DIVIDENDS

Quarterly dividend declared at $0.2536 per common share

Dividend Statistics	
Yield[1]	4.0%
Annualized Dividend[2,3]	$1.0144 / share

Expected Quarterly Dividend Dates[3]

Declaration Date	Record Date	Payment Date
August 10, 2020	September 9, 2020	September 30, 2020
November 5, 2020	December 9, 2020	December 31, 2020

Key Points

- Quarterly dividend declared at $0.2536 per common share ($1.0144 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 five year capital investment program
- Non-dilutive dividend reinvestment plan (DRIP) was implemented post IPO (shares purchased on open market, not issued from treasury)

(1) Based on closing share price on June 30st, 2020
(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.

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 entitles 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 Covid-19 and associated initiatives and impacts; statements related to the OEB, regulatory decisions, impacts and timing; statements related to local distribution company acquisitions and related commitments; statements related to the Universal Shelf and the Medium Term Note Shelf, including anticipated filings; statements related to dividends; statements regarding future equity issuances; statements related to credit ratings; and Hydro One's guidance range for adjusted EPS for 2020.

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", "Adjusted Net Income", "Revenue Net of Purchased Power" and "Adjusted Earnings Per Share" are not recognized measures under U.S. GAAP and do not have standardized meanings prescribed by U.S. GAAP. These are 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 2019 full year MD&A.