Third Quarter 2020

Earnings Teleconference

November 6th, 2020

One of North America's largest electric utilities

TSX:H

HYDRO ONE LIMITED

3Q20 FINANCIAL SUMMARY

(millions of dollars, except EPS)	Third Quarter 2020	Third Quarter 2019	% Change	YTD 2020	YTD 2019	% Change
Revenue						
Transmission	483	443	9.0%	1,342	1,245	7.8%
Distribution	*1,410*	*1,140*	23.7%	*4,050*	*3,490*	16.0%
Distribution (Net of Purchased Power)	417	403	3.5%	1,242	1,293	(3.9%)
Other	10	10	-	31	30	3.3%
Consolidated	*1,903*	*1,593*	19.5%	*5,423*	*4,765*	13.8%
Consolidated (Net of Purchased Power)	910	856	6.3%	2,615	2,568	1.8%
OM&A Costs	262	259	1.2%	797	942	(15.4%)
Earnings Before Financing Charges and Income Taxes (EBIT)						
Transmission	268	232	15.5%	690	607	13.7%
Distribution	167	153	9.2%	503	541	(7.0%)
Other	(7)	(7)	-	(20)	(174)	88.5%
Consolidated	428	378	13.2%	1,173	974	20.4%
Net Income (Loss) [1]	281	241	16.6%	1,609	567	183.8%
Adjusted Net Income (Loss) [1,2]	281	241	16.6%	742	707	5.0%
Basic EPS	$0.47	$0.40	17.5%	$2.69	$0.95	183.2%
Basic Adjusted EPS[1]	$0.47	$0.40	17.5%	$1.24	$1.19	4.2%
Capital Investments	500	424	17.9%	1,301	1,105	17.7%
Assets Placed In Service						
Transmission	196	294	(33.3%)	383	509	(24.8%)
Distribution	174	129	34.9%	376	331	13.6%
Other	1	10	(90.0%)	2	14	(85.7%)
Total assets placed in-service	371	433	(14.3%)	761	854	(10.9%)

Financial Statements reported under U.S. GAAP

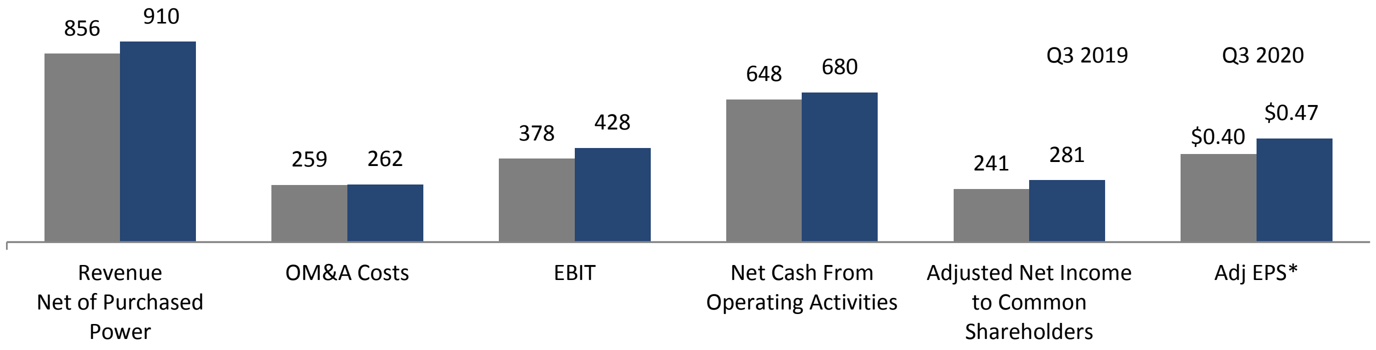
(1) Net Income is attributable to common shareholders and is after non-controlling interest, dividends to preferred shareholders,

(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.

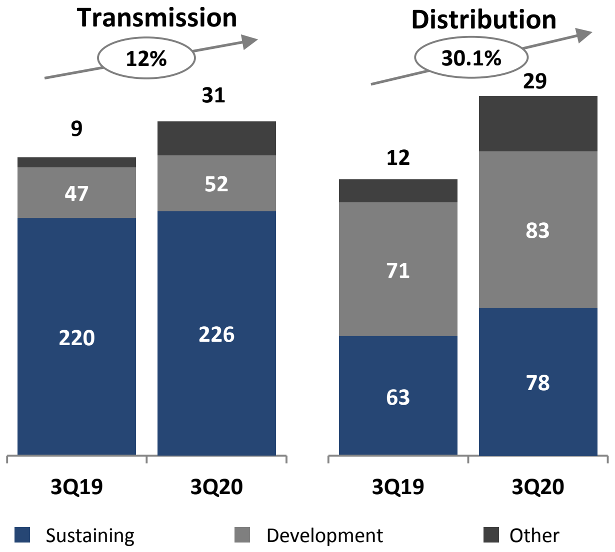
3Q20 FINANCIAL SUMMARY

Hydro One's focus on customer advocacy, partnership, and long-term financial stability results in positive performance

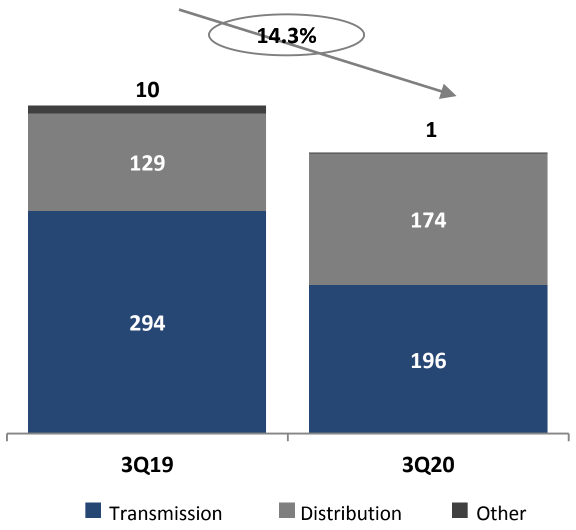
Financial Highlights ($M) – 3Q20 Year over Year Comparison



Regulated Capital Investments ($M)



Assets Placed in Service ($M)



Selected Financial Highlights:

Revenues Net of Purchased Power increased by 6.3% during the quarter ended September 30st, 2020 compared to the third quarter in 2019, primarily due to the following:

- Higher transmission revenues due to higher average monthly Ontario 60-minute peak demand driven by favourable weather;
- Higher distribution revenues resulting from higher 2020 rates and higher energy consumption driven by favourable weather;
- Higher revenues related to Niagara Reinforcement LP assets placed in-service in the third quarter of 2019;
- Revenues related to Peterborough Distribution and Orillia Power acquisitions which closed during the third quarter; partially offset by
- deferred regulatory adjustment related to asset removal costs in 2020;
- lower revenues driven by the suspension of late payment charges following the onset of COVID-19.

Slightly higher OM&A costs primarily resulting from:

- additional other post-employment benefit (OPEB)[1] costs that are recognized in OM&A following the 2020-2022 OEB transmission decision and recovered in rates, therefore net income neutral; and
- costs related to COVID-19, as discussed below; partially offset by
- lower vegetation management expenditures.

Income tax expense for the third quarter of 2020 was higher than the prior year due to higher income before taxes, partially offset by higher net tax deductions primarily related to CCA in excess of depreciation.

Hydro One makes 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.

- The Company made capital investments of $500 million during the third quarter of 2020, and placed $371 million of new assets in-service.
- The Company completed the purchase of the business and distribution assets of Peterborough Distribution Inc. on August 1st, 2020 and completed the acquisition of Orillia Power Distribution Corporation on September 1, 2020.

1) *OPEB: Other post-employment benefit*

** 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.

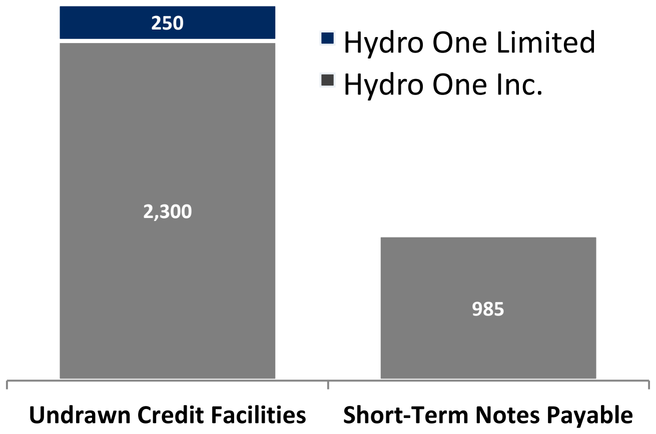
	Current rate methodology	Allowed ROE	Expected rate base[2]	Effective term of application	Comments
Distribution	Custom IR	2020 9.00%	2020 $8.5 billion	2018-22	Custom incentive rates. Decision for 2018-2022 distribution rates received. 2020 annual update approved in Q4 of 2019 to reflect the latest inflation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

STRONG BALANCE SHEET AND LIQUIDITY (as at September 30, 2020, except where noted)

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)

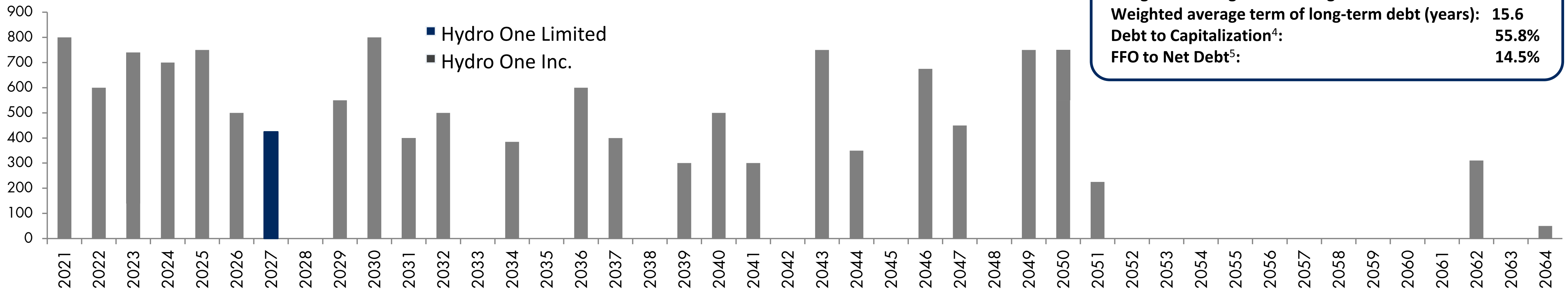
	Hydro One Limited (HOL)	Hydro One Inc. (HOI)
S&P	BBB+ / N/A / stable	A- / A-1 (low) / stable
DBRS	A / N/A / stable	A (high) / R-1 (low) / stable
Moody s	Not Rated	A3 / Prime-2 / stable

Shelf Registrations

HOL:
Universal Shelf[1]: $2.0B

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

Debt Maturity Schedule ($M)[3]



Weighted average cost of long-term debt:	4.1%
Weighted average term of long-term debt (years):	15.6
Debt to Capitalization[4]:	55.8%
FFO to Net Debt[5]:	14.5%

(1) On August 20, 2020, Hydro One Limited filed a 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, during the 25-month period ending on September 20, 2022. On October 15, 2020, Hydro One Limited issued $425 million of long-term debt resulting in $1,575 million remaining available for issuance under the Universal Base Shelf Prospectus. The Company intends to use the net proceeds of this offering to fund the redemption on November 20, 2020 of all of its outstanding Series 1 preferred shares and for general corporate purposes.

(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. On October 9, 2020, Hydro One Inc. issued long-term debt totaling $1,200 million, resulting in $2,800 million remaining available for issuance under the MTN Program prospectus.

(3) Includes:

- Hydro One Inc. $1.2B Medium-Term Note issue, which closed on October 9th, 2020 and matures in 2023 ($600M), 2031($400M) and 2050 ($200M reopening)

- Hydro One Limited $425M Senior Unsecured Debentures, which closed on October 15th, 2020 and matures in 2027

- Indebtedness of Hydro One Sault Ste. Marie LP, a subsidiary of Hydro One Inc., in the aggregate principal amount of $139 million due in 2023

(4) Debt to capitalization ratio is a non-GAAP measure and has been calculated as total debt (including total long-term debt, preferred, 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. The ratio in each period reflects the presentation of the preferred shares, as debt or equity, respectively, as at the period end date. Management believes that the debt to capitalization ratio is helpful as a measure of the proportion of debt in the Company's capital structure.

(5) FFO to Net Debt for the last twelve months ending September 30, 2020. Management believes that the FFO to Net Debt ratio is helpful as a measure of the proportion of funds from operations to the debt net of cash.

COMMON SHARE DIVIDENDS

Quarterly dividend declared at $0.2536 per common share

Dividend Statistics	
Yield[1]	3.6%
Annualized Dividend[2,3]	$1.0144 / share

Expected Quarterly Dividend Dates[3]

Declaration Date	Record Date	Payment Date
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 September 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 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 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 related to the OEB, regulatory decisions, impacts and timing; statements regarding the intended use of the net proceeds of Hydro One Limited’s notes offering completed on October 15, 2020 ; statements regarding the redemption of Hydro One Limited’s outstanding Series 1 Preferred Shares; statements related to dividends and Hydro One Limited’s targeted dividend payout ratio of 70-80% of net income; 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 of operations. Hydro One does not intend, and it disclaims any obligation to update any forward-looking information, except as required by law.

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”, “EBIT”, “Debt to Capitalization”, 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” 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. “FFO to Net Debt” is the rolling twelve month FFO divided by Total debt less cash. In addition, certain of these measures are also defined in Hydro One Limited’s filings with the securities regulatory authorities in Canada which are available under its profile on SEDAR at www.sedar.com. Management believes these measures are useful for evaluating the performance of different aspects of Hydro One’s business but may not be appropriate for other purposes.