FOURTH QUARTER 2019

Earnings Teleconference

February 12th, 2020

One of North America's largest electric utilities

TSX:H

HYDRO ONE LIMITED

4Q19 FINANCIAL SUMMARY

(millions of dollars, except EPS)	Fourth Quarter 2019	Fourth Quarter 2018	% Change	Year End 2019	Year End 2018	% Change
Revenue						
Transmission	$407	$342	19.0%	$1,652	$1,686	(2.0%)
Distribution	*1,298*	*1,138*	14.1%	*4,788*	*4,422*	8.3%
Distribution (Net of Purchased Power)	384	397	(3.3%)	1,677	1,523	10.1%
Other	10	11	(9.1%)	40	42	(4.8%)
Consolidated	*1,715*	*1,491*	15.0%	*6,480*	*6,150*	5.4%
Consolidated (Net of Purchased Power)	$801	$750	6.8%	$3,369	$3,251	3.6%
OM&A Costs	239	308	(22.4%)	1,181	1,105	6.9%
Earnings Before Financing Charges and Income Taxes (EBIT)						
Transmission	228	114	100.0%	835	842	(0.8%)
Distribution	117	129	(9.3%)	658	526	25.1%
Other	(8)	(18)	-	(183)	(59)	-
Consolidated	336	225	49.3%	1,310	1,309	0.1%
Net Income (Loss) [1]	211	(705)	-	778	(89)	-
Adjusted Net Income (Loss) [1,2]	211	176	19.9%	918	807	13.8%
Basic EPS	$0.35	($1.18)	-	$1.30	($0.15)	-
Basic Adjusted EPS[1]	$0.35	$0.30	16.7%	$1.54	$1.35	14.1%
Capital Investments	562	467	20.3%	1,667	1,575	5.8%
Assets Placed In Service						
Transmission	573	698	(17.9%)	1,082	1,164	(7.0%)
Distribution	271	253	7.1%	602	642	(6.2%)
Other	5	1	-	19	7	-
Consolidated	849	952	(10.8%)	1,703	1,813	(6.1%)

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,

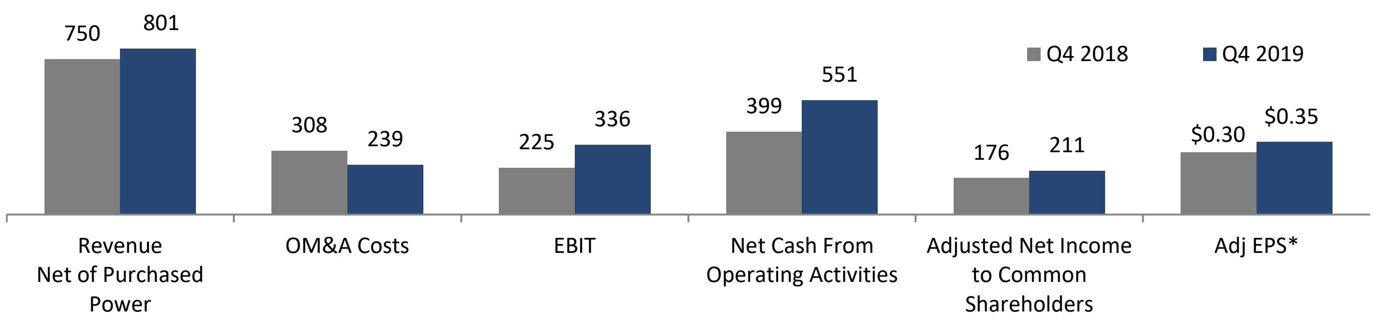
(2) Adjusted Net Income excludes items related to the Avista Corporation acquisition and the impact related to the OEB's deferred tax asset decision on HONI's Distribution and Transmission businesses

HYDRO ONE LIMITED

4Q19 FINANCIAL SUMMARY

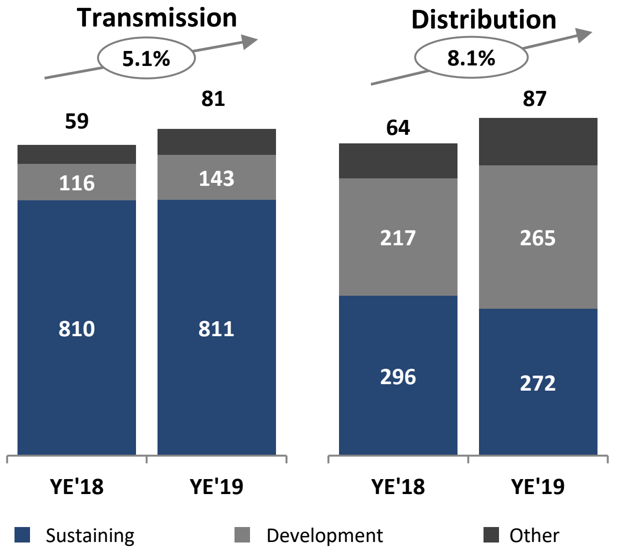
Favourable weather, lower operating costs driven by lower support costs and lower effective taxes led to strong fourth quarter earnings

Financial Highlights ($M) – 4Q19 Year over Year Comparison

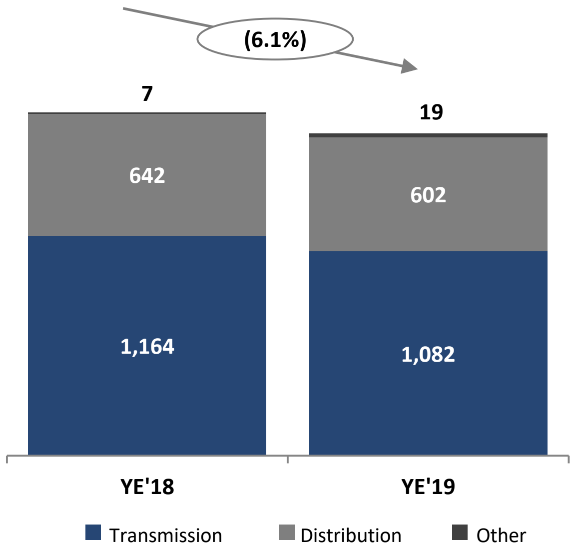


** Adjusted EPS exclude items related to the Avista Corporation acquisition*

Regulated Capital Investments ($M)



Assets Placed in Service ($M)



Financial Highlights:

Revenues Net of Purchased Power increased by 6.8% during the quarter ended December 31st, 2019, primarily due to the following:

- The 2018 impact of the OEB decision in respect of the sharing of the deferred tax asset;
- Higher average monthly Ontario 60-minute peak demand driven by favourable weather in the fourth quarter of 2019;
- Higher energy consumption resulting from favourable weather in the fourth quarter of 2019;
- Higher revenues driven by increased OEB-approved transmission rates for 2019;
- Update to the 2019 distribution rates per OEB decision received in March 2019;
- Revenue related to in-serviced Niagara Reinforcement Limited Partnership assets in late August 2019; partially offset by
- Deferred tax regulatory adjustment related to accelerated tax depreciation (Accelerated CCA);
- Lower deferred regulatory adjustment related to Earnings Sharing Mechanism.

OM&A costs decreased primarily due to the following;

- Insurance proceeds received in the fourth quarter of 2019 for Finch, Longwood and Merivale stations;
- Lower spend on station and lines maintenance programs;
- Lower volume of work on vegetation management coverage, as certain work was done earlier in 2019 as a result of favourable weather conditions;
- Lower corporate support costs;
- Lower project write-offs;
- Lower operating costs resulting from the repatriation of the Call Centre;
- Lower property taxes due to a reassessment of municipal property taxes; partially offset by
- Higher spend related to IT projects.

The quarterly decrease of $7 million or 5.7% in financing charges was primarily due to lower Merger-related interest expense on the convertible debentures, partially offset by an increase in interest expense on long-term debt driven by higher weighted-average long-term debt balance outstanding in 2019.

The lower tax expense was primarily attributable to the prior year charge to deferred tax expense related to the impairment of Hydro One's deferred income tax regulatory asset. Taxes were further lowered by the Accelerated CCA, deferred tax asset sharing mandated by the OEB, and changes in income before taxes in 2019 compared to 2018.

REGULATORY UPDATE

2020 - 2022 Transmission Rate Application

- On March 21, 2019, Hydro One filed a 3-year Custom Incentive Rate (CIR) application.
- The hearing began on October 21, 2019, and concluded on November 4, 2019. A decision is pending.
- Final Arguments were submitted in January, 2020.

Peterborough and Orillia Applications

- September 26, 2018: Filed MAAD application to purchase Orillia Power.
- October 12, 2018: Filed MAAD application to purchase Peterborough Distribution.
- January 24, 2020: Submissions closed and a decision is pending.

2018 – 2022 Distribution Rate Application

- On March 7, 2019, the OEB issued its decision, which included reductions to 2018 OM&A ($32M or ~6%) and 2018-2022 Capital Expenditures ($300M or ~8%). Rates were awarded effective May 1, 2018 and were implemented July 1, 2019.
- Additional capital reductions were made in respect of pension contributions and capital costs to integrate the Acquired Utilitites [2].
- On March 26, 2019, the Company filed a motion to review and vary the OEB's decision with respect to pension costs and concurrently filed an appeal with the Ontario Divisional Court.
- On December 19, 2019, the OEB affirmed its earlier decision with respect to pension costs.

Overall Regulatory Scan

	Current Rate Methodology	Expected Rate base[1]	Effective term of next application	Comments
Transmission	Inflationary	2019 $ 12.6 billion[3]	2020-2022	One-year inflationary adjustment to transmission revenue requirement for 2019. On March 21, 2019, Hydro One filed a 3-year Custom Incentive Rate (CIR) application for the 2020-2022 period.

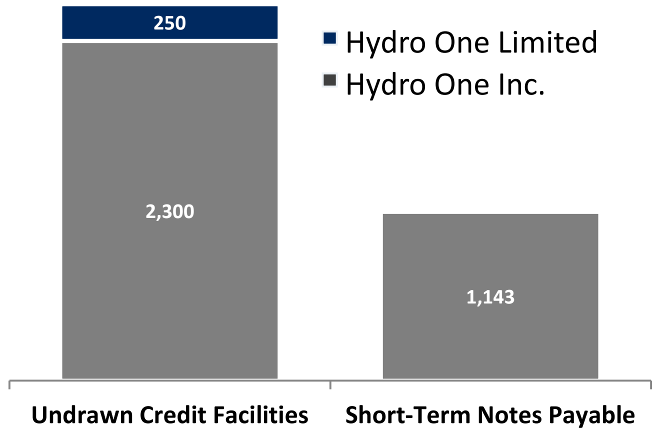
	Current Rate Methodology	Expected Rate base[2]	Effective term of application	Comments
Distribution	Custom IR	2019 $ 8.1 billion	2018 – 2022	Custom incentive rates. Decision for 2018-2022 distribution rates received. 2020 annual update approved in Q4 of 2019 to reflect the latest inflation assumptions.

(1) Transmission rate base includes 100% of B2M LP, Niagara Reinforcement Partnership and Hydro One Sault Ste. Marie
(2) Distribution Rate Base includes recent Local Distribution Company (Acquired Utilities) acquisitions and Hydro One Remote Communities
(3) Company estimates subject to change and include amounts from March 2019 filed transmission rate application which is subject to OEB approval

STRONG BALANCE SHEET AND LIQUIDITY

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

Significant Available Liquidity ($M)



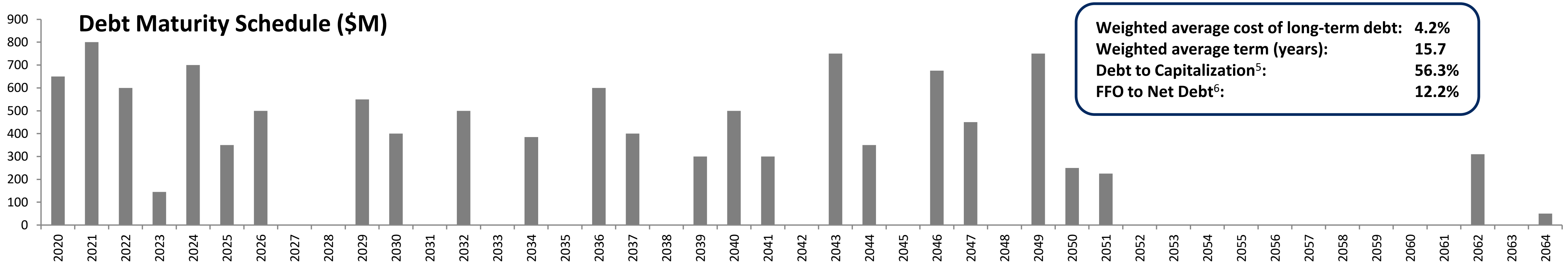
Strong Investment Grade Credit Ratings (LT/ST/Outlook)

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

Shelf Registrations

HOL:
Universal Shelf[3]: $4.0B

HOI:
Medium Term Note Shelf[4]:
$4.0B



Weighted average cost of long-term debt:	4.2%
Weighted average term (years):	15.7
Debt to Capitalization[5]:	56.3%
FFO to Net Debt[6]:	12.2%

(1) On November 8, 2019, S&P Global Ratings (S&P) affirmed Hydro One Limited's issuer credit rating and Hydro One Inc.'s issuer and issue-level credit ratings and revised its ratings outlook on Hydro One Limited and Hydro One Inc. to stable from negative, based on expectations that Hydro One Limited's operating environment has stabilized and that the company will focus on regulated operations in Ontario, without expansions outside Ontario.

(2) On November 20, 2019, Moody's Investors Service (Moody's) upgraded Hydro One Inc.'s rating to A3 (stable), from Baa1 (stable). The upgrade reflects Moody's view of an increased probability of extraordinary support from the provincial government due to the company's exclusive focus on business in Ontario for at least the next 5 years.

(3) 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 December 31, 2019, 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.

(4) At December 31, 2019, $2.9 billion was drawn from the Medium Term Note (MTN) Shelf, leaving $1.1 billion available for issuance until April 2020. A new MTN prospectus is expected to be filed in the first half of 2020.

(5) 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.

(6) FFO to Net Debt for the last twelve months ending Q4 2019 has not been adjusted for one-time costs related to the termination of the Avista Corporation acquisition in Q1 2019.

COMMON SHARE DIVIDENDS

Consecutive annual 5% increase announced on May 9th, 2019

Dividend Statistics	
Yield[1]	3.9%
Annualized Dividend[2,3]	$0.966 / share

Expected Quarterly Dividend Dates[3]

Declaration Date	Record Date	Payment Date
February 11, 2020	March 11, 2020	March 31, 2020
May 7, 2020	June 10, 2020	June 30, 2020
August 10, 2020	September 9, 2020	September 30, 2020
November 5, 2020	December 9, 2020	December 31, 2020

Key Points

- Quarterly dividend declared at $0.2415 per common share ($0.966 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 December 31st, 2019
(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

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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 dividends; statements regarding future equity issuances; expectations regarding planned or expected capital investments; statements related to rate applications, proceedings, anticipated regulatory decisions and impacts; statements related to the Universal Shelf and the Medium Term Note Shelf; statements related to credit ratings; statements related to the anticipated regulatory decisions on the Peterborough and Orillia acquisitions; and statements and projections regarding rate base, cash flows, and borrowings.

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.