

A photograph of several high-voltage electrical transmission towers and power lines stretching across a landscape at sunset. The sky is a mix of deep blue, purple, and orange. A flock of birds is flying in the upper left. The foreground is dark, showing silhouettes of trees and the ground.

INVESTOR OVERVIEW

Post Second Quarter 2018



AGENDA

- Business Update
- Company Overview
- Regulatory Framework
- Appendix



BUSINESS UPDATE

RECENT DEVELOPMENTS

Organization Priorities

- Earnings per share (EPS) of \$0.34 and adjusted EPS of \$0.33, compared to \$0.20 in the prior year, reflecting Ontario Energy Board's (OEB) decision on transmission rates and favourable weather.
- Hydro One and the Province of Ontario entered into an agreement for the purpose of the orderly replacement of the Board of Directors of Hydro One and Hydro One Inc. and the retirement of the CEO.
- Ad Hoc Nominating Committee established and committed to completing the transition to a new Board of Directors by August 15, 2018.
- Paul Dobson was appointed Acting President and CEO, while maintaining his Chief Financial Officer (CFO) role.
- Province of Ontario introduced new legislation regarding the Company's executive compensation framework and disclosure.
- Hydro One reached an agreement to acquire the business and distribution assets of Peterborough Distribution Inc. (Peterborough Distribution) for \$105M.
- Four major storms within the quarter resulting, in aggregate, with over 1.4 million affected customers requiring power restoration, more than all of 2017, and set a new Company record for speed of recovery due to a more proactive approach to resourcing and new outage prediction technology.
- Quarterly dividend declared at \$0.23 per share, payable September 28th, 2018.
- Hydro One is progressing well throughout the Avista transaction and anticipating a H2 2018 close of the Avista transaction.
- Hydro One Inc. prices Canadian offering of \$1.4 billion Medium Term Notes at favourable rates.
- Hydro One received two awards from the Edison Electric Institute (EEI) for storm restoration and mutual assistance efforts while its subsidiary, Hydro One Remote Communities Inc., was presented with the prestigious ENERGY STAR Canada Award for best Regional Utility by Natural Resources Canada.

The image shows the side of a white vehicle with the 'hydro one' logo. The word 'hydro' is in black lowercase letters, and 'one' is in red lowercase letters. To the right of the text is a red circular logo containing three stylized, curved lines. The background is a dark, semi-transparent overlay of a photograph showing a wooded area with several people in safety gear standing near a body of water.

COMPANY OVERVIEW

THE VALUE OF HYDRO ONE

ABOUT THE COMPANY

Transmission & Distribution



30,000 circuit KM's of transmission lines across 98% of Ontario



Largest Local Distribution Company in Ontario with over 1.3 million end customers



Expected combined 2018 Transmission & Distribution Rate Base of \$19.7B¹

Market Capitalization of ~\$11.9² billion

Regulated and Privatized Operations

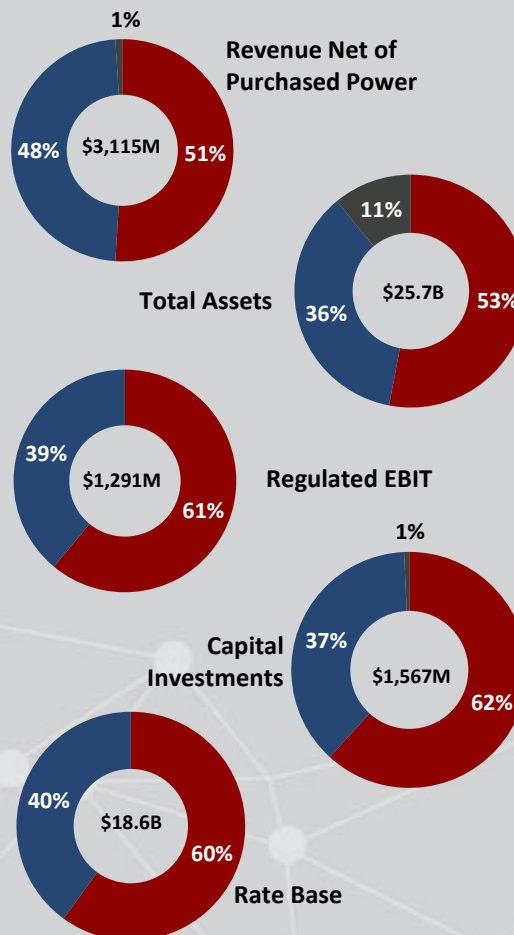
99% of revenue from regulated operations



Privatization initiative by Province of Ontario to divest majority stake in Hydro One complete with post November 2015 IPO (15%), April 2016 secondary (15%), and May 2017 secondary (20%) offerings

HOW WE DID IN 2017

■ Transmission ■ Distribution ■ Other



WHY INVEST

Stable Operations



Stable and growing cash flows with 99% of overall business fully rate-regulated

No generation or material exposure to commodity prices

Financial Performance



Predictable self-funding organic growth profile with +5% expected five year rate base CAGR

Attractive 70% - 80% target dividend payout ratio

Recently increased annualized dividend of \$0.92 per share



Strong balance sheet with investment grade credit ratings

EXECUTIVE LEADERSHIP TEAM

A leadership team with demonstrated experience transforming organizations and growing shareholder value.



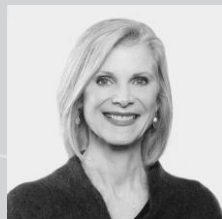
Paul Dobson
Acting President and CEO



Greg Kiraly
Chief Operating Officer



Chris Lopez
Acting
Chief Financial Officer



Judy McKellar
EVP, Chief Human
Resources Officer



Patrick Meneley
EVP, Chief Corporate
Development Officer



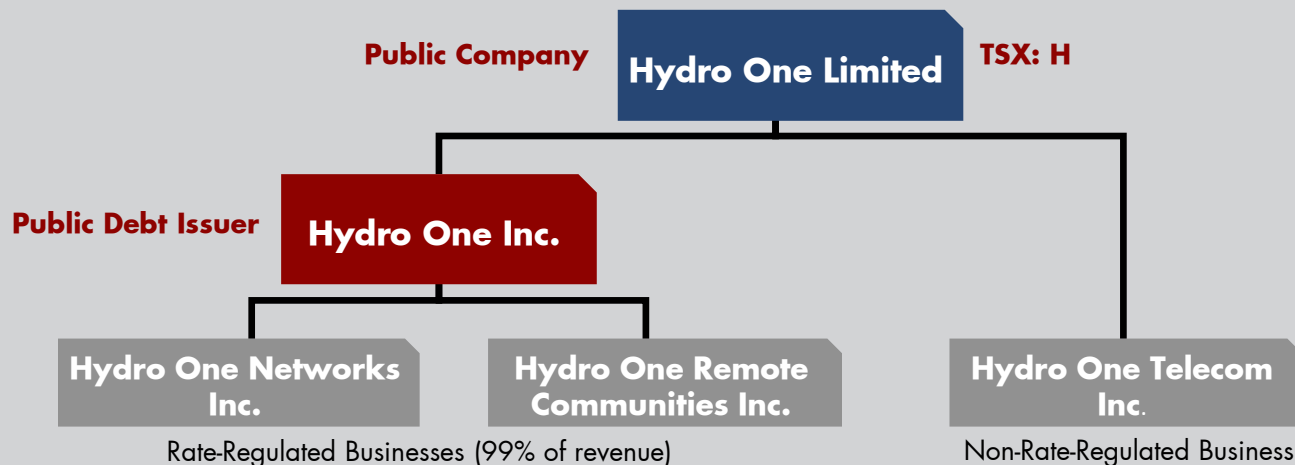
Jason Fitzsimmons
Chief Corporate Affairs
& Customer Care Officer



Jamie Scarlett
Chief Legal Officer

A LOOK AT THE ORGANIZATION

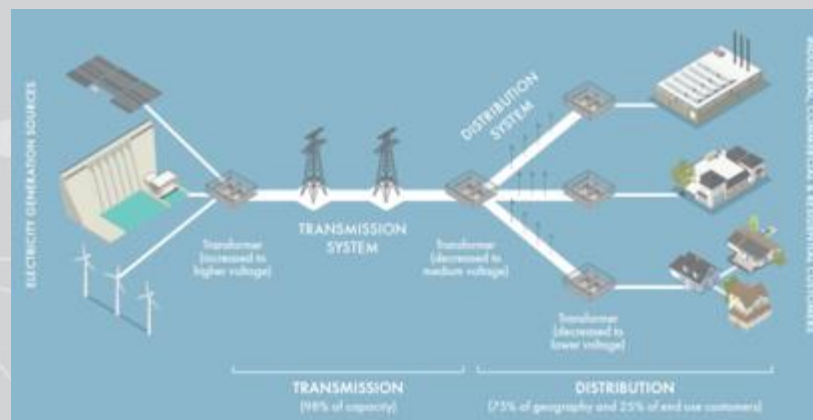
Corporate Structure



Our Role in the Electricity Grid

Our transmission and distribution system safely and reliably serves communities throughout Ontario. Our customers are suburban, rural and remote homes and businesses across our province.

We proudly own and operate ~\$27 billion in assets and have annual revenues of approximately \$6 billion.



PURPOSE, VALUES & STRATEGY

TURN ON THE **POWER**
OF **POSSIBILITY**

VALUES

SAFETY
COMES FIRST

STAND
FOR PEOPLE

EMPOWERED
TO ACT

OPTIMISM
CHARGES US

WIN
AS ONE



Pillars

Optimization
& Innovation



Diversification

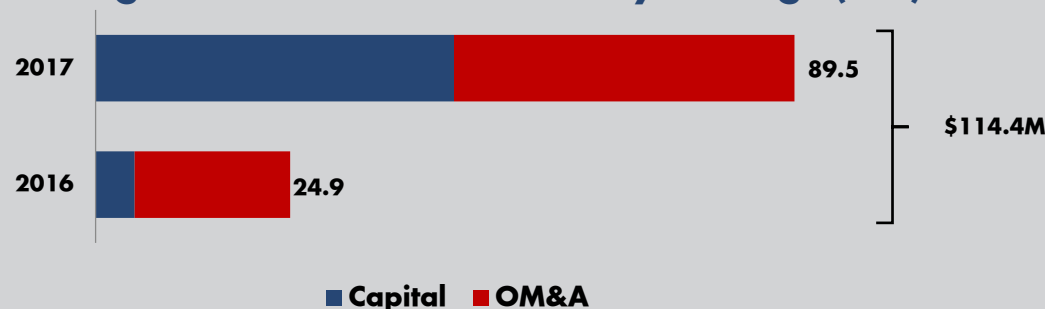


Growth



ACHIEVEMENTS AND EFFICIENCIES

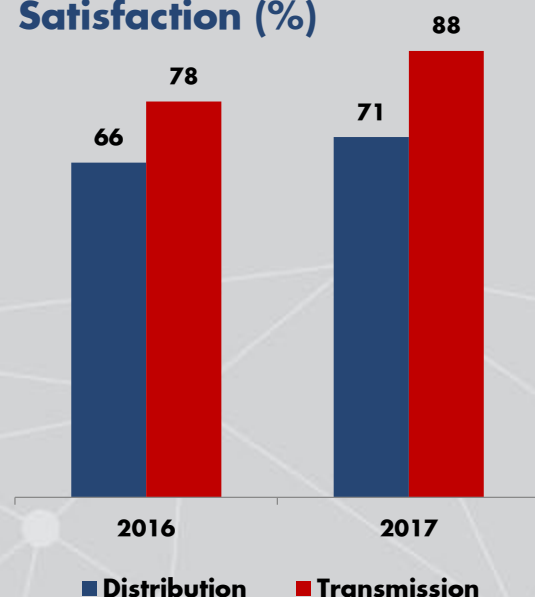
Paving New Paths in Productivity Savings (\$M)



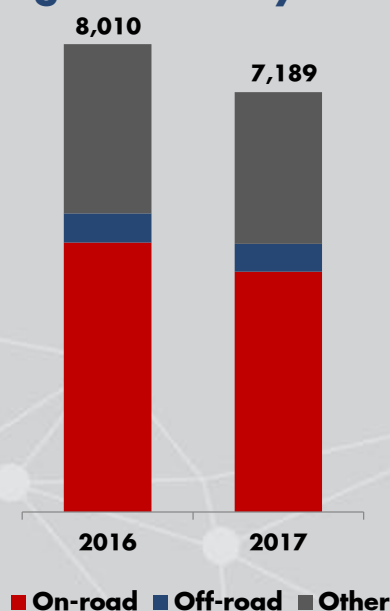
- Generated productivity savings totaling \$89.5 million in 2017 (\$43.6 million in OM&A and \$45.9 million in capital)

- Move to Mobile transformed work processes and implemented technology that automated the scheduling & dispatching functions

Improving Customer Satisfaction (%)



Reducing the Fleet by 10%



- Strategic sourcing initiatives led to price reduction for materials and services as a result of consolidating spend across Hydro One and increasing competition among vendors

- Hydro One leveraged telematics data to identified underutilized fleet equipment causing a reduction of fleet size by 10%

- Optimal Cycle Protocol (OCP) is a state-of-the-art vegetation management program that was implemented in October 2017. OCP will shorten tree clearing and trimming cycle to 3 years from 8-10 years

THE REGULATED BUSINESS

Transmission & Distribution

Transmission



One of North America's largest electric transmission providers

- Hydro One owns 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 and will transition to incentive rate making under OEB
- Growing rate base with planned annual capital investments of ~\$1,000 - \$1,500 million through 2022 with focus on refurbishing aging assets
- Continued shift to renewable and distributed generation sources helping drive expansion of transmission network
- 2018 allowed ROE of 9.00% with 40% / 60% deemed equity / debt capital structure

LDC Customers	43
Large Directly Connected Industrial Customers	88
Transmission Lines (Circuit KM)	30,000
Transmission Stations In Service	308
Cross Border Interconnections	25

Distribution



The largest electric LDC in Ontario with further expansion opportunities

- Distribution is a stable, rate-regulated business operating under OEB cost of service framework. Transition to performance-based model in 2018 pending approval of rate application by OEB
- Growing rate base with planned annual capex of ~\$650 - \$800 million through 2022
- 2018 expected ROE of 9.00.% with 40% / 60% deemed equity/debt capital structure
- Recent OEB decision in place transitioning residential distribution rates to fully fixed
- Drivers of growth include rate base expansion, productivity improvements and continued consolidation of other LDC's
- Recent Haldimand, Woodstock, Norfolk LDC acquisitions grew customer base by ~5%

LDC's Consolidated Since 2000	90
Distribution Lines (Circuit KM)	123,000
Distribution Poles	1.6M
Distribution End Customers	+1.3M
Distribution and Regulating Stations	1,000

HYDRO ONE TELECOM

Integral role in servicing grid assets



Fiber optic lines (route KMs)

6,400

Network Points of Presence

81

Customer Site Connections

1,900

Data Centres Connected

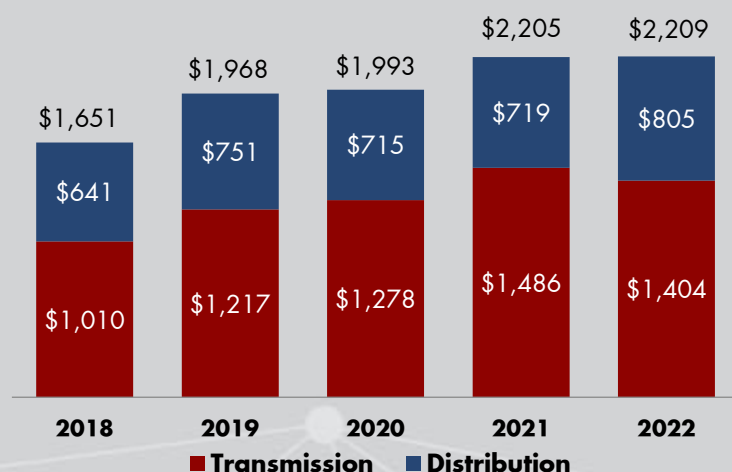
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- Leverages Hydro One's network fiber assets used to monitor and manage power grid circuitry
- Diverse, secure, low latency broadband connectivity across Ontario utilizing infrastructure constructed principally along electric transmission network
- Provincial fiber routes extend to Montreal and also include connection points in Buffalo and Detroit
- Provides fiber-optic broadband network services including leased circuits, dark fiber, ethernet transport, internet transit, data center connectivity and tower access
- Customers include data centers, cloud service providers, enterprises, ISPs, other Telco's and public sector entities
- Currently expanding number of data center connections and launching managed security, cloud backup and data recovery solutions

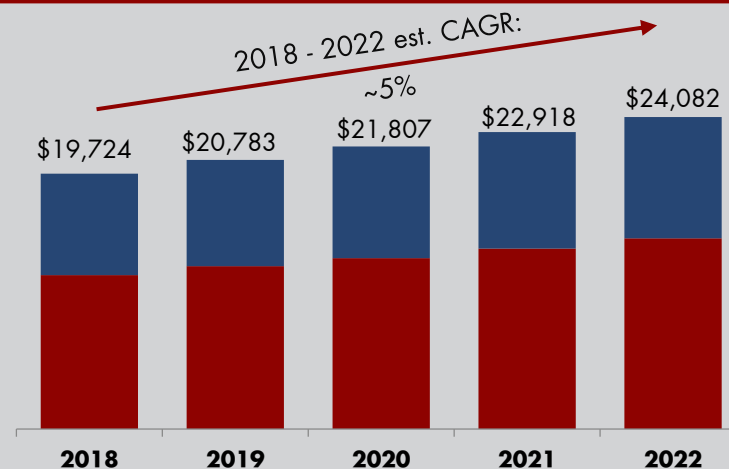
\$10B OF CAPITAL INVESTMENT DRIVING RATE BASE GROWTH

Consistent and predictable organic growth profile underpinned by required replacement of aging infrastructure

Projected Capital Investments* (\$M)



Projected Rate Base Growth*



* Company estimates subject to change and include amounts from March 2017 filed distribution rate application which is subject to OEB approval

Comments

- Organic growth underpinned by continued rate base expansion to renew and modernize grid
- Material amounts of deteriorated, end-of-service life infrastructure must be upgraded or replaced
- Little concentration risk as most projects within capex envelope are small to medium relative to total
- Investments not undertaken without reasonable assurance of regulatory recovery
- Equity issuance not anticipated for planned capital investment program which is self-funded

INFRASTRUCTURE INVESTMENTS

Clarington Transmission Station



Estimated Total Project Cost: \$245¹ million

Capital Cost To Date: \$232 million

Anticipated In-Service Date: 2018

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

Richview Transmission Station



Estimated Total Project Cost: \$102 million

Capital Cost To Date: \$92 million

Anticipated In-Service Date: 2019

Replacement of 50 year old end-of-life equipment at Richview Transformer Station to ensure the secure and reliable power supply to the City of Toronto and surrounding communities

1) Major portions of the Clarington Transmission Station projects were completed and placed in-service. Work on certain minor portions of the project continues in the second half of 2018.

PENDING AVISTA ACQUISITION

Growing regulated business with a geographically diverse customer base, supported by one of the lowest electricity rates in the US

Avista Business Overview

(C\$ in mm)³



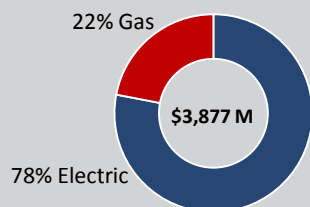
	2016A
Revenue	\$1,824
EBITDA	\$570
Net Income	\$174

Service Area

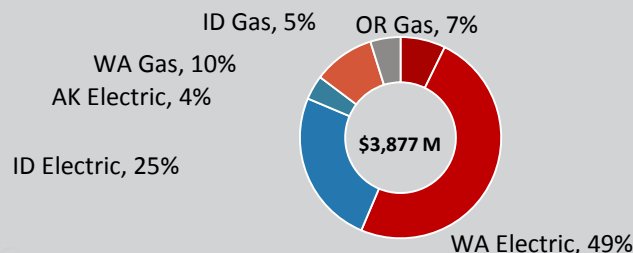
Service territories across WA, OR, ID, AK, and MT



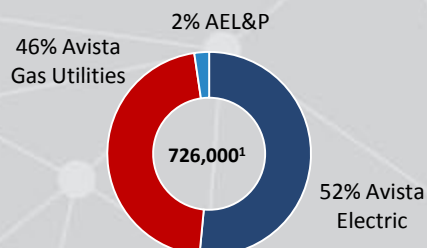
2016 Rate Base



2016 Rate Base by State

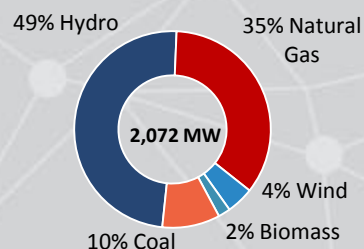


2016 Customers



Investor Overview – Post Second Quarter 2018

2016 Electric Generation²



- Power Plants
- Gas Pipelines
- Transmission Lines
- Electric Service Area
- Electric / Natural Gas Service Area
- Natural Gas Service Area
- Transmission Line Project

1. Includes combined electric and gas customers
2. Based on maximum capacity and excludes Alaska generation
3. Based on an exchange rate of C\$/US\$ 1.264

Note: All financial metrics based on time of the initial announced of transaction

PENDING AVISTA ACQUISITION

Hydro One will become a Top 20 North American investor owned utility with an attractive growth profile

Strategic Rationale & Transaction Details

Diversification

- Increases geographic, economic, regulatory and asset class diversification
- Adds complementary and growing gas distribution
- Provides exposure to regulated and predominantly clean generation

Building quality regulated asset scale

- Earnings and cash flow accretion in the first full year following close, excluding transaction costs
- On a pro forma basis increases Hydro One's total assets from approximately \$25.4 billion to approximately \$34.9 billion
- Hydro One expected to continue growing dividend and to maintain 70-80% dividend payout ratio
- Planned pro forma rate base growth of approximately 6%, starting from a combined 2017 base of C\$22.6 billion

Innovation and knowledge transfer

- Avista is a leader in utility innovation with a track record of investments in advanced technologies, including energy management solutions
- Opportunity to reduce operating costs and gain strategic benefits by leveraging and sharing innovation and best practices

		Allowed ROE	Equity Capitalization
Allowed Equity Returns	ON	9.00%	40.00%
	WA	9.50%	48.50%
	ID	9.50%	50.00%
	OR	9.40%	50.00%
	AK	12.88%	53.80%

Access to new regulatory jurisdictions with higher ROEs and attractive allowed capital structures

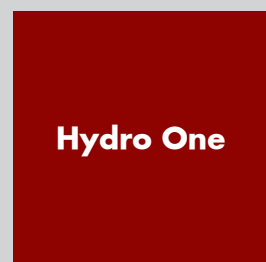
Transaction Details

- Offer price of US\$53.00 per Avista common share in cash, a 24% premium to Avista's closing price on 18 July, 2017 of US\$42.74
- Equity purchase price of US\$3.4 billion (C\$4.4 billion)
- Total enterprise value for Avista of US\$5.3 billion (C\$6.7 billion), including Avista debt assumed
- Planned financing is a combination of 5-year, 10-year and 30-year US\$ denominated notes together with the fully executed convertible debenture offering

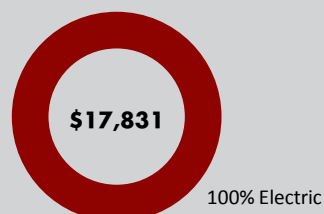
PENDING AVISTA ACQUISITION

Diversification across multiple geographies, economies, regulatory jurisdictions and utility businesses enhances stability and strategic positioning

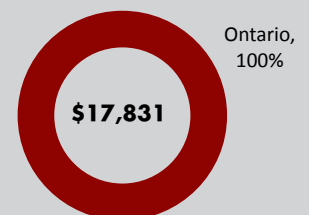
(C\$ in mm)



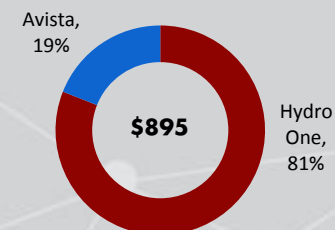
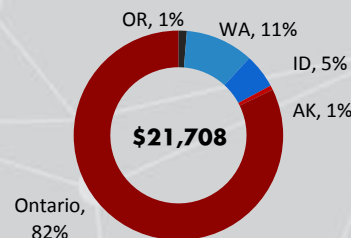
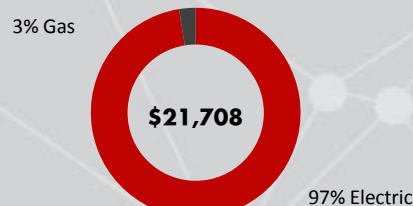
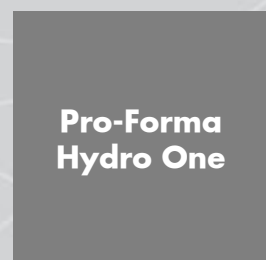
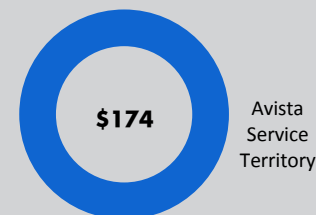
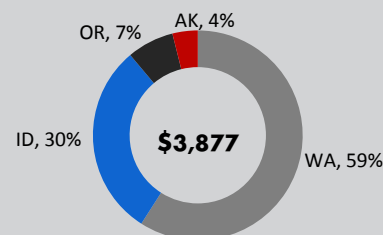
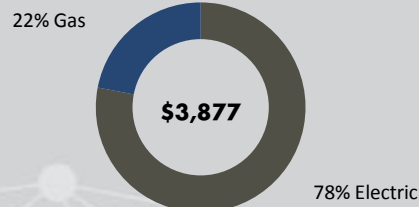
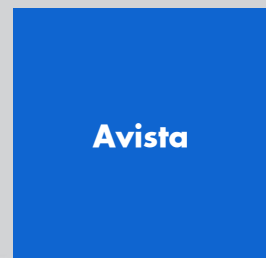
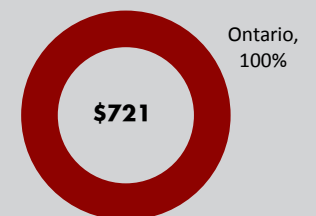
'16 Rate Base



'16 Rate Base by Geography



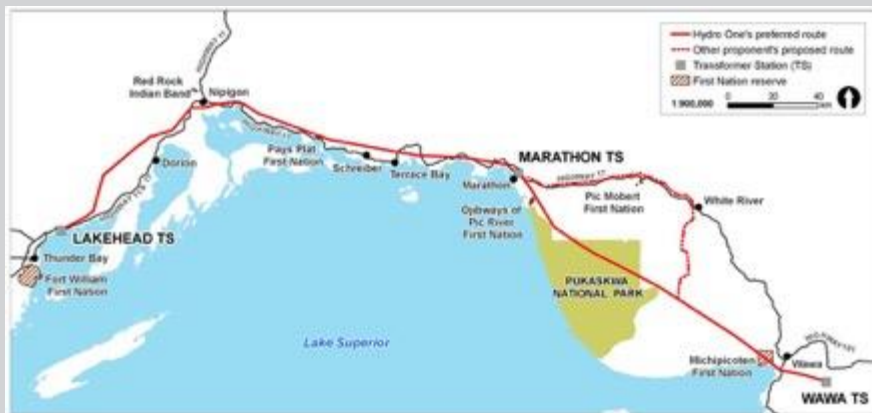
'16 Net Income



ONTARIO BUSINESS DEVELOPMENT

Finding growth opportunities in Ontario

Lake Superior Link



Key points

- Applied to the OEB to construct a new transmission line between Lakehead and Wawa
- Project cost to be roughly \$636 million, which is over \$100 million lower than other proponents
- Annual OM&A costs savings of \$3 million versus competing bids
- 400 km, double-circuit 230kV transmission line that would be built primarily on or adjacent to Hydro One's existing assets

Peterborough Distribution Inc.



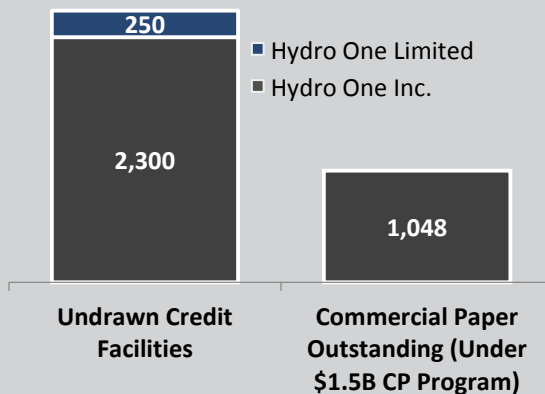
Key points

- Hydro One reached a definitive agreement with the City of Peterborough to acquire the business and distribution assets of Peterborough Distribution Inc. (PDI)
- \$105 million purchase price
- Approximately 37,000 customers in Peterborough, Lakefield and Norwood
- Separate agreement with the City of Peterborough to construct and operations centre and fleet maintenance facility within the city.

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)

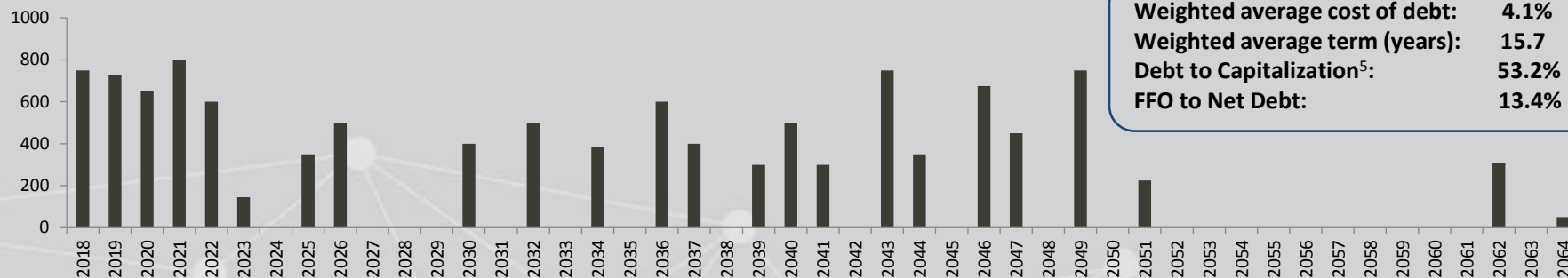
Hydro One Inc. (HOI)	
S&P	A- / A-2 / CreditWatch negative ¹
DBRS	A (high) / R-1 (low) / stable
Moody's	Baa1 / Prime-2 / stable ²

Shelf Registrations

HOL:
Universal Shelf³: \$4.0B

HOI:
Medium Term Note
Shelf⁴:
\$4.0B

Debt Maturity Schedule (\$M)



Weighted average cost of debt: 4.1%
 Weighted average term (years): 15.7
 Debt to Capitalization⁵: 53.2%
 FFO to Net Debt: 13.4%

(1) On July 18, 2018, S&P released an update incorporating the possibility that the Company's governance structure could result in an additional one-notch downgrade if S&P concludes that recent developments related to the retirement of the Company's chief executive officer and the replacement of the Company's Board of Directors adversely impact management decision making and fails to promote the interests of all stakeholders.

(2) On June 20, 2018, Moody's Investors Service (Moody's) downgraded the long-term debt rating for Hydro One Inc. to "Baa1" from "A3", and revised its outlook on Hydro One Inc. to stable from negative. In addition, Moody's affirmed the existing "Prime-2" short-term debt rating for Hydro One Inc. Moody's no longer assigns any probability of extraordinary support from the Province of Ontario in Hydro One Inc.'s credit analysis which has led to the downgrade.

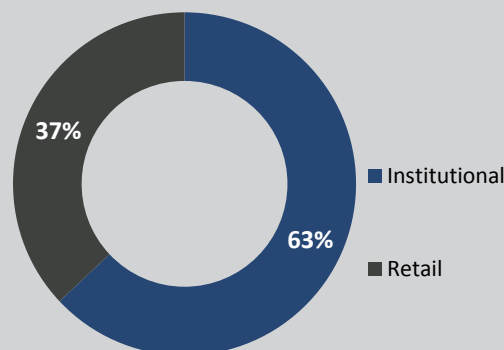
(3) On June 18, 2018, Hydro One filed a short form base shelf prospectus (Universal Shelf) with securities regulatory authorities in Canada to replace the universal base shelf prospectus that expired on April 30, 2018. The Universal Base Shelf Prospectus allows Hydro One to offer, from time to time in 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. Hydro One filed the Universal Base Shelf Prospectus to provide the Company with financing flexibility going forward.

(4) \$1.4 billion was drawn from the Medium Term Note Shelf during June 2018, leaving \$2.6 billion available for issuance until April 2020.

(5) Debt to capitalization ratio has been calculated as total debt (includes total long-term debt, convertible debentures 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.

EQUITY MARKET CAP OVERVIEW

Approximate Ownership of Public Float



Equity Index Inclusions

S&P/TSX Composite Index

FTSE All-World (Canada)

MSCI World (Canada)

S&P/TSX Composite Low Volatility Index

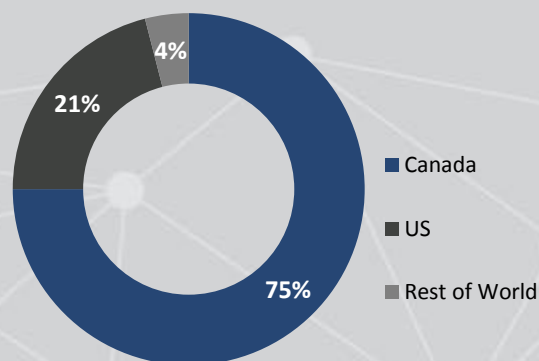
Dow Jones Canada Select Utilities

S&P/TSX Utilities Index

S&P/TSX Composite Dividend Index

S&P/TSX Composite High Dividend Index

Approximate Geographic Dispersion of Public Float



Comments

- 596 million common shares outstanding, listed on Toronto Stock Exchange (TSX: H)
- Equity market capitalization of ~\$11.9 billion¹ and public float of ~\$7 billion
- Equity market capitalization amongst the top 30 of all listed Canadian companies
- Secondary offerings by Province increased liquidity without diluting public shareholders

(1) Based on closing share price on June 29, 2018

COMMON SHARE DIVIDENDS

Consecutive annual 5% increase to dividend announced on May 15th, 2018

Dividend Statistics	
Yield ¹	4.6%
Annualized Dividend ^{2,3}	\$0.92 / share

(1) Based on closing share price on June 29, 2018

(2) Unless indicated otherwise, all common share dividends 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
August 13, 2018	September 11, 2018	September 28, 2018
November 5, 2018	December 11, 2018	December 31, 2018

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

Key Points

- Quarterly dividend increased to \$0.23 per share (\$0.92 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)

A low-angle, upward-looking photograph of high-voltage electrical infrastructure. The image shows several large, dark, cylindrical insulators with multiple disc-like segments, mounted on metal support structures. Power lines and cables are visible, some running horizontally and others curving upwards. The background is a clear, bright blue sky. The overall composition conveys a sense of height and industrial scale.

REGULATORY FRAMEWORK

REGULATORY STAKEHOLDERS



Who: Provincial Government, Ministry of Energy

What: Policy, legislation, regulations



Who: Ontario Energy Board (OEB)

What: Independent electric utility price and service quality regulation



Who: Independent Electricity System Operator

What: Wholesale power market rules, intermediary, North American reliability standards



Who: National Energy Board

What: Federal regulator, international power lines and substations



Who: North American Electric Reliability Corporation

What: Continent-wide bulk power reliability standards, certification, monitoring



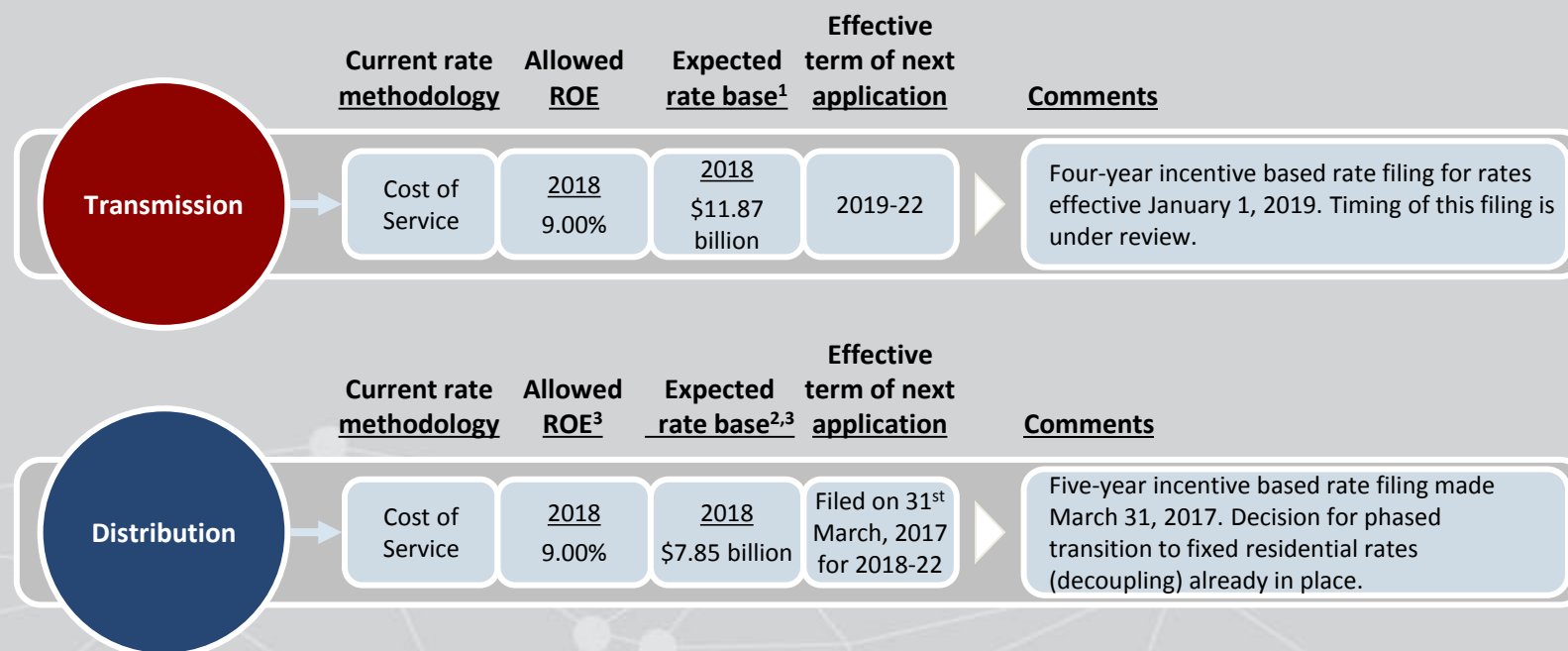
Who: Northeast Power Coordinating Council

What: Northeastern North American grid reliability, standards, compliance

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
- Hydro One has earned or exceeded its allowed ROE on a consolidated basis over past five years
- Reduced regulatory lag through forward-looking test years, revenue decoupling and adjustment mechanisms



(1) Transmission rate base includes 100% of B2M JV and Hydro One Sault Ste. Marie

(2) Distribution Rate Base includes recent LDC acquisitions and Hydro One Remote Communities

(3) Company estimates subject to change and include amounts from March 2017 filed distribution rate application which is subject to OEB approval

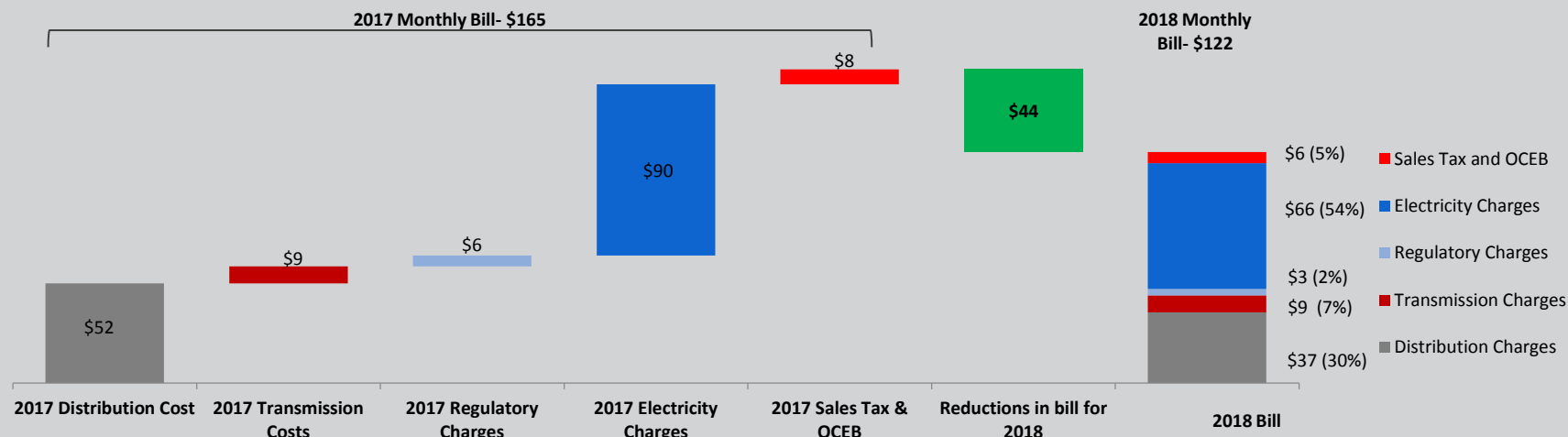
DISTRIBUTION SEGMENT INCENTIVE REGULATORY CONSTRUCT

The transition from cost of service to incentive based regulatory model coincident with transformation of business will create value for both customers and shareholders

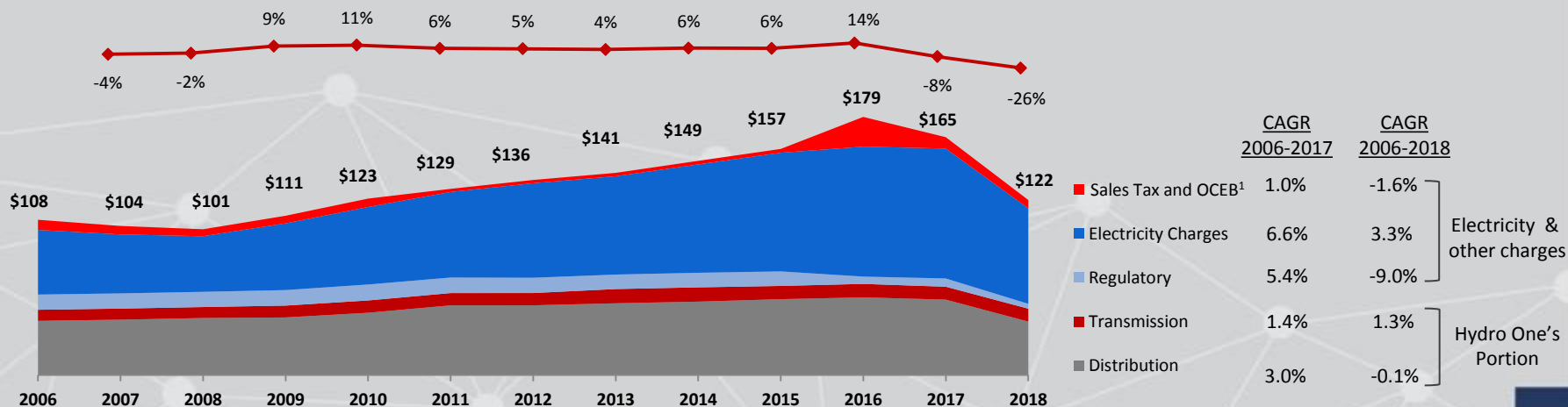
- Filed March 31, 2017 under OEB's Custom Incentive Rate Making model for 2018 – 2022 five year term
- 2018 is considered “rebasing” year where a cost of service forward test year rate model is applied
- Revenue requirement for each of the ensuing four years determined annually by
 - i) applying an inflation adjustment factor,
 - ii) offset by a productivity and stretch factor of 0.45%, and
 - iii) adding a capital factor (added revenue requirement to recover planned capital investments)
- ROE and short term debt rate set based on OEB approved Cost of Capital Parameter Update, issued November 23 2017. Additional update in 2021 requested
- 50% of earnings that exceed allowed ROE by more than 100 basis points in any year of the term of the filing shared with customers (actual sharing deferred until 2023 rebasing)
- Previously acquired Norfolk, Haldimand and Woodstock LDC's brought into rate base in 2021
- Planned rate base CAGR of ~5% over five year term of filing
- Average annual impact on rates over the five year term of the rate application is approximately 3.5%
- Transmission segment incentive rate filing expected to be filed under same construct for four year period 2019 – 2022. The timing of this filing is under review.

REDUCING OUR CUSTOMER BILLS

Since 2017, Hydro One customer bills have decreased on average from \$165 to \$122 per month



Annual Change in Customer Monthly Bills



Investor Overview – Post Second Quarter 2018

Note: The charts represent the breakdown of a typical bill for a Hydro One medium-density residential local distribution end customer using 750 kWh a month

1) OCEB is an abbreviation for the Ontario Clean Energy Benefit

DELIVERING CLEAN AND SUSTAINABLE ENERGY

Transmitting and delivering some of the cleanest energy in North America

- Ontario was the first North American jurisdiction to fully eliminate coal electricity generation and leads Canada in wind and solar capacity
- Recent five year Ontario Climate Change Action Plan will further accelerate province's leadership in reduction of greenhouse gas emissions
- One of only six utilities in Canada to achieve the Sustainable Energy Company designation from the Canadian Electrical Association
- Ontario electricity now generated by: nuclear 58%, hydro 23%, natural gas 10%, wind 7%, solar 2%
- 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
- 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



WHY INVEST IN HYDRO ONE

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

- One of the largest electric utilities in North America with significant scale and leadership position across Canada's most populated province
- Unique combination of pure-play electric power transmission and local distribution, with no generation or material exposure to commodity prices
- 99% of business is rate-regulated in a constructive, stable, transparent and collaborative regulatory environment
- Predictable growth profile with expanding rate base and strong 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 North American utility sector
- Increased \$0.92 annualized dividend with 70% - 80% target payout ratio and opportunity for continued dividend growth with rate base expansion, continued consolidation and efficiency realization
- Float and liquidity increased without dilution as phased privatization by Province of Ontario was executed
- Blue chip fully independent 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



APPENDIX

2Q18 FINANCIAL SUMMARY

(\$ millions)	Second Quarter			YTD		
	2018	2017	% Change	2018	2017	% Change
Revenue						
Transmission	\$430	\$361	19.1%	\$851	\$728	16.9%
Distribution	1,036	998	3.8%	2,181	2,277	(4.2%)
Distribution (Net of Purchased Power)	362	349	3.7%	756	739	2.3%
Other	11	12	(8.3%)	21	24	(12.5%)
Consolidated	1477	1371	7.7%	3,053	3,029	0.8%
Consolidated (Net of Purchased Power)	803	722	11.2%	1,628	1,491	9.2%
OM&A Costs	256	274	(6.6%)	526	545	(3.5%)
Earnings Before Financing Charges and Income Taxes (EBIT)						
Transmission	228	159	43.4%	441	323	36.5%
Distribution	120	102	17.6%	277	255	8.6%
Other	(11)	(12)	8.3%	(23)	(26)	11.5%
Consolidated	337	249	35.3%	695	552	25.9%
Net Income¹	200	117	70.9%	422	284	48.6%
Adjusted Net Income^{1,2}	194	117	65.8%	404	284	42.3%
Basic EPS	\$0.34	\$0.20	70.0%	\$0.71	\$0.48	47.9%
Adjusted Basic EPS¹	\$0.33	\$0.20	65.0%	\$0.68	\$0.48	41.7%
Capital Investments	401	406	(1.2%)	706	756	(6.6%)
Assets Placed In-Service						
Transmission	316	165	91.5%	354	247	43.3%
Distribution	158	164	(3.7%)	263	310	(15.2%)
Other	3	8	-	5	8	-
Consolidated	477	337	41.5%	622	565	10.1%

TOP TRANSMISSION CAPITAL PROJECTS UNDERWAY

Development Project Name	Location	Type	Anticipated In-Service Date	Estimated Cost	Capital Cost To-Date
Supply to Essex County Transmission Reinforcement	Windsor-Essex area Southwestern Ontario	New transmission line and station	2018	\$561 million	\$53 million
Clarington Transmission Station	Oshawa area Southwestern Ontario	New transmission station	2018	\$245 ¹ million	\$232 million
Niagara Reinforcement Project	Niagara area Southwestern Ontario	New transmission line	2019	\$130 million	\$108 million
East-West Tie Station Expansion	Northern Ontario	New transmission connection and station expansion	2021	\$157 million	\$10 million
Northwest Bulk Transmission Line	Thunder Bay area Northwestern Ontario	New transmission line	2024	\$350 million	\$1 million

Sustainment Project Name	Location	Type	Anticipated In-Service Date	Estimated Cost	Capital Cost To-Date
Bruce A Transmission Station ²	Tiverton area Southwestern Ontario	Stations sustainment	2020	\$138 million	\$113 million
Richview TS Circuit Breaker Replacement	Toronto area Southwestern Ontario	Stations sustainment	2019	\$102 million	\$92 million
Lennox TS Circuit Breaker Replacement	Napanee area Southeastern Ontario	Stations sustainment	2023	\$95 million	\$53 million
Beck #2 TS Circuit Breaker Replacement	Niagara area Southwestern Ontario	Stations sustainment	2022	\$112 million	\$57 million

INDEPENDENT BOARD OF DIRECTORS

Tom Woods Currently a Director of Bank of America Corporation, Alberta Investment Management Corporation, Providence St. Joseph's St. Michael's Health Care (Board Chair) and CIBC Children's Foundation. Previously with CIBC and Wood Gundy, serving as Head of Canadian Corporate Banking, Chief Financial Officer, Chief Risk Officer and Vice Chairman.

Cherie Brant Currently a Partner at Dickinson Wright's Toronto law office where she has an Indigenous law practice with a focus on commercial real estate, energy and transmission and First Nations economic development. Currently a Director with Anishnawbe Health Foundation and is a member of the Canadian Council for Aboriginal Business, Research Advisory Board and the Aboriginal Energy Working Group of the Independent Electricity System Operator.

Blair Cowper-Smith Currently the principal and founder of Erin Park Business Solutions. Previously, he was Chief Corporate Affairs Officer of Ontario Municipal Employees Retirement System (OMERS) and a member of the Senior Executive Team. Board experience includes numerous advisory assignments, including governance advisory assignments, with boards of directors including OMERS, Stelco, Hammerson, and includes existing or prior director appointments and board committee leadership roles with companies like Porter Airlines, 407 ETR, the Financial Services Regulatory Authority and Face the Future Foundation.

Anne Giardini, O.C., Q.C. Currently Chancellor of Simon Fraser University. Previously with Weyerhaeuser Company Limited, including role as Canadian President. Currently a Director of Nevsun Resources Ltd., Canada Mortgage & Housing Corporation, World Wildlife Fund (Canada), BC Achievement Foundation, TransLink and the Greater Vancouver Board of Trade.

David Hay Currently a Director of EPCOR, SHAD (Chair), the Council of Clean and Reliable Energy and as Chair of the Acquisition Committee of the Beaverbrook Art Gallery. Formerly Vice-Chair and Managing Director of CIBC World Markets Inc., President and Chief Executive Officer of New Brunswick Power Corporation, Managing Director of Delgatie Incorporated and Senior Vice-President and Director responsible for mergers and acquisitions with Merrill Lynch Canada.

Timothy Hodgson Currently Managing Partner of Alignvest Capital Management. Previously, Special Advisor to Governor Mark Carney at Bank of Canada and CEO of Goldman Sachs Canada. Currently a Director with Alignvest Acquisition II Corporation (Chair), PSP Investments, MEG Energy Corp.

Jessica McDonald Currently Interim President and Chief Executive Officer of Canada Post Corporation. Previously President and Chief Executive Officer of British Columbia Hydro & Power Authority and Executive Vice President of HB Global Advisors Corp. Currently a Director with Canada Post Corporation, Coeur Mining Inc. and Trevali Mining Corporation, and is on the Member Council of Sustainable Development Technology Canada.

Russel Robertson Currently a Director with Bausch Health Companies Inc. and Turquoise Hill Resources. Previously Executive Vice President and Head, Anti-Money Laundering, Chief Financial Officer and Executive Vice-President, Business Integration with BMO Financial Group.

William Sheffield Currently a Director with Houston Wire & Cable Company, Velan, Inc., Burnbrae Farms Ltd., Longview Aviation Capital and Family Enterprise Xchange. Previously Chief Executive Officer of Sappi Fine Papers, headquartered in South Africa. Previously, held senior roles with Abitibi-Consolidated, Inc. and Abitibi-Price, Inc.

Melissa Sonberg Currently Adjunct Professor and Executive-in-Residence at McGill University's Desautel Faculty of Management. Currently a Director with Exchange Income Corporation, MD Financial Holdings, Inc., Canadian Professional Sales Association, Group Touchette, Women in Capital Markets and Equitas – International Centre for Human Rights.

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 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.

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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.

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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 2017 full year MD&A.

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