A white rectangular box containing the title text, set against a background of a sunset over a field with power lines and towers.

INVESTOR OVERVIEW

Post Third Quarter 2019

One of North America's largest electric utilities

TSX:H

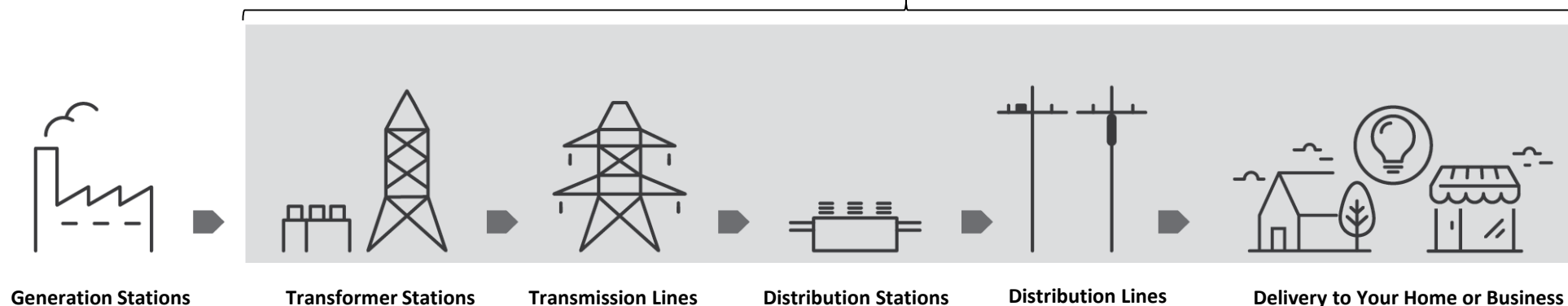
WHY INVEST IN HYDRO ONE

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
- One of the strongest investment grade balance sheets in the North American utility sector
- Increased \$0.966 annualized dividend with 70% - 80% target payout ratio and opportunity for continued dividend growth with rate base expansion, continued consolidation and efficiency realization

- ~5% Rate Base Growth
- ~5% Average Annual EPS Growth
- ~5% Average Annual Dividend Growth

Hydro One’s Role in the Ontario Electric Power System



1) Further information on Rate Base Growth, Average Annual EPS Growth, and Average Annual Dividend Growth can be found on slide 15

RECENT DEVELOPMENTS

Organization Priorities

Third Quarter Highlights

- Earnings per share (EPS) of \$0.40 and adjusted EPS of \$0.40, compared to \$0.33 and \$0.38, respectively, for the same period in 2018, an increase of 21% and 5%. This reflects the update to 2019 distribution rates, a decrease in operation, maintenance and administration (OM&A) costs due to lower corporate support costs in the quarter, partially offset by lower revenues due to less favourable weather.
- Hydro One released its updated corporate strategy which reaffirms its commitment to Ontario and the provision of safe, reliable, and affordable electricity.
- Partnering with Six Nations of the Grand River Development Corporation and Mississaugas of the Credit First Nation, Hydro One announced the completion of the 76 km double circuit, 230 kV transmission Niagara Reinforcement Line.
- The Company moved forward with plans to build a new Ontario grid control centre in Orillia. This new, state-of-the-art facility is expected to serve as one of the Company's technology hubs and will ensure the safe, reliable delivery of electricity to communities across all of Ontario for years to come.
- In the third quarter of 2019, the distribution customer satisfaction score with residential and small businesses continued to rise and averaged 86% year-to-date.
- Enhancing the framework around its sustainability objectives, the Company released its report on the Carbon Disclosure Project (CDP) in which it outlined actions to address climate change.
- The Ontario Energy Association (OEA) presented two awards to Hydro One employees, for Customer Service and for Contributor of the Year.
- Quarterly dividend declared at \$0.2415 per share, payable December 31, 2019.

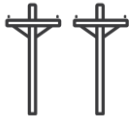
THE VALUE OF HYDRO ONE

ABOUT THE COMPANY

Transmission & Distribution



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



Largest Local Distribution Company in Ontario with almost 1.4 million end customers



Combined 2018 Transmission & Distribution Rate Base of \$19.7B

Market Capitalization of ~\$14.5¹ billion

Regulated and Privatized Operations

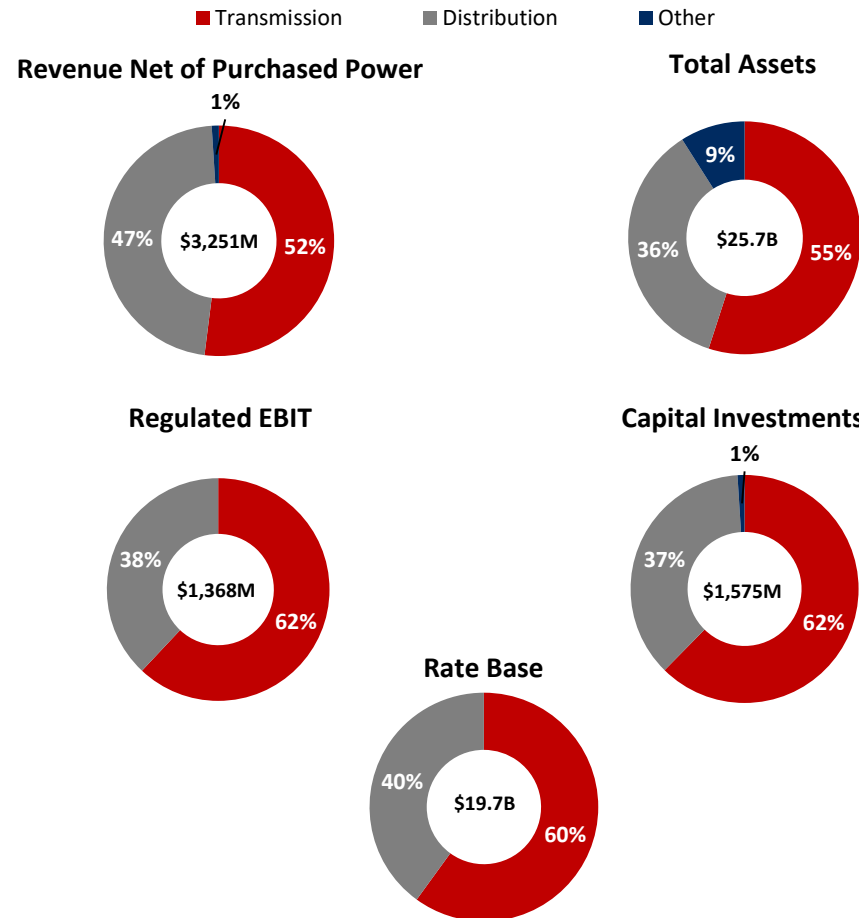


99% of revenue from regulated operations



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 2018



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

Annualized dividend of \$0.966 per share

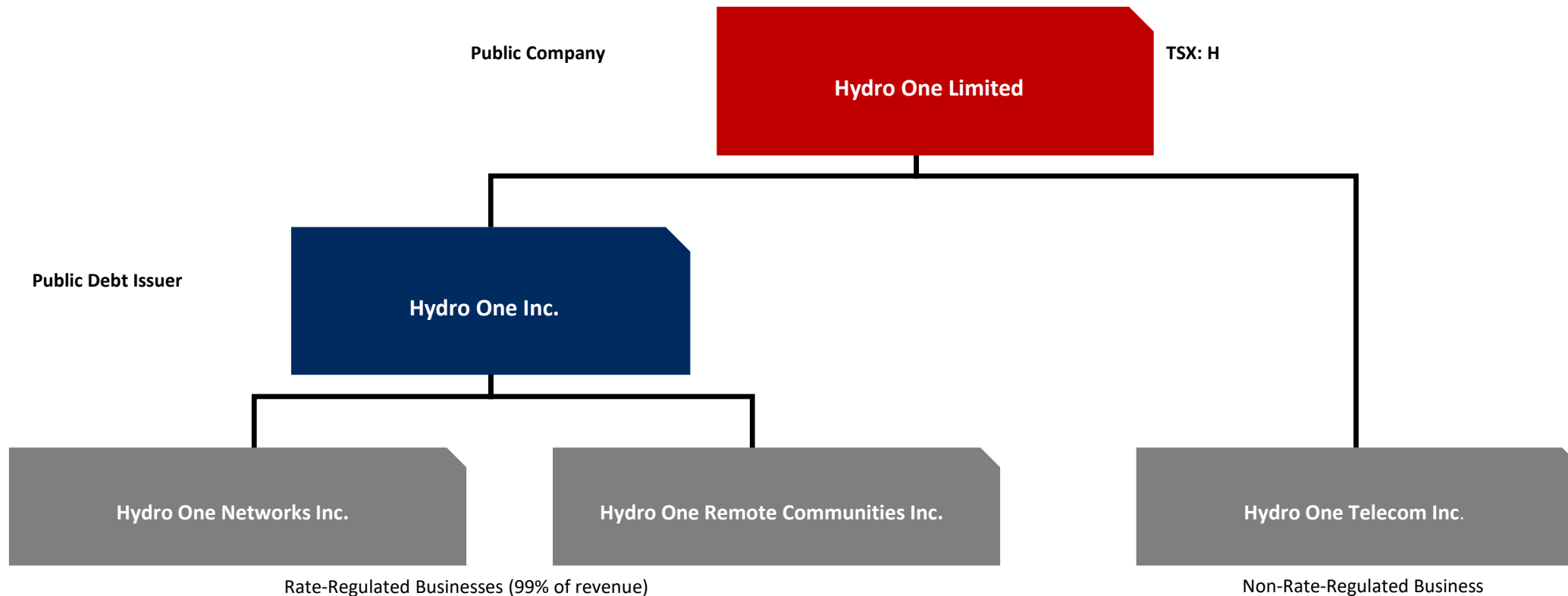


Strong balance sheet with investment grade credit ratings

1) Based on closing share price on September 30th, 2019

A LOOK AT THE ORGANIZATION

Corporate Structure

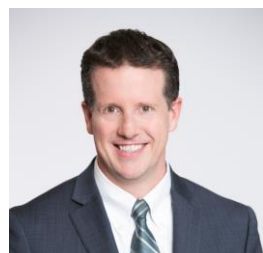


EXECUTIVE LEADERSHIP TEAM

A leadership team with strong operational experience committed to achieving efficiencies at Hydro One



Mark Poweska
President and CEO



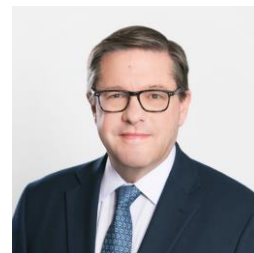
Brad Bowness
Chief Information Officer



Darlene Bradley
Chief Safety Officer



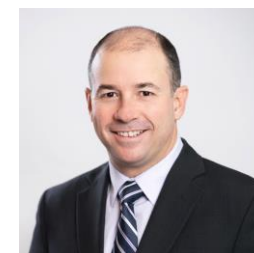
Jason Fitzsimmons
Chief Corporate Affairs
& Customer Care Officer



Paul Harricks
Chief Legal Officer



David Lebeter¹
Incoming
Chief Operating Officer



Chris Lopez
Chief Financial Officer



Saylor Millitz-Lee
EVP, Chief Human
Resources Officer

1) Expected start date in January, 2020

HYDRO ONE'S NEW STRATEGY

Strategic Priorities	<p>Plan, design and build a grid for the future</p> 	<p>Be the safest and most efficient utility</p> 	<p>Be a trusted partner</p> 	<p>Advocate for our customers and help them make informed decisions</p> 	<p>Innovate and grow the business</p> 
Areas of Focus	<p>We will plan, design and build a reliable grid taking into account changing technologies to prevent future outages.</p> <p>There will be increased focus on grid resilience in order to restore power after events. Climate change and sustainability factors will be taken into consideration in our planning processes to increase resilience and lower our environmental footprint.</p> <p>We will incorporate distributed energy resources to enable customer choice while delivering exceptional value to customers through best-in-class asset management practices.</p>	<p>We will transform and improve our safety culture through robust safety analytics as well as grass-roots engagement with our employees.</p> <p>Field operations will be more empowered to drive efficiency, productivity and reliability and provided with efficient corporate support.</p> <p>There will be a focus on efficient capital delivery to support an ongoing growing work program.</p>	<p>We will make concerted efforts to build and grow relationships with Indigenous peoples, government and industry partners.</p> <p>We will proactively address community concerns and establish strong partnerships with our customers through local investment and economic development for the benefit of Ontarians.</p>	<p>We will make it easier to do business with Hydro One by strengthening the customer experience through innovative customer centric practices.</p> <p>We will help our customers make informed decisions with deeper insights and leverage our position as energy experts. We will expand access to energy offerings to become the provider of choice to our customers.</p>	<p>We will continue to invest responsibly in our core transmission and distribution business.</p> <p>In addition, we will pursue incremental regulated and unregulated business opportunities through innovation and our focused presence in Ontario.</p>
Enablers	<p>A people focus that inspires employees and prepares the right workforce for evolving needs</p>				
<p>A regulatory focus to support our strategic vision</p>					
<p>A technology focus to enhance workforce efficiency</p>					

HYDRO ONE'S NEW STRATEGY

An Ontario focus, and plan to enhance value



"The roll out of our corporate strategy will involve sticking to our strengths and continuing to champion for our customers and the electricity sector in Ontario. Our main focus has been and will remain operational excellence as we continue to drive performance. We are a leader in Ontario and continue to build relationships with all partners in our region. We are taking a focused lens on creating a brighter, sustainable future for Ontarians, and are steadfast in improving the safety, reliability, affordability, and environmental impacts of our operations."

-Mark Poweska, President and Chief Executive Officer

THE REGULATED BUSINESS

Transmission & Distribution

98% OF ONTARIO'S TRANSMISSION CAPACITY



75% GEOGRAPHY OF PROVINCE SERVED BY DISTRIBUTION

Transmission

- Hydro One has filed a 3-year Custom IR application for Transmission from 2020-2022
- Hydro One owns and operates 98% of Ontario's transmission capacity
- Transmission produces reliable cash flow with low volatility under Ontario Energy Board (OEB)
- Growing rate base with planned annual capital investments of ~\$1,000 - \$1,400 million through 2022 with focus on refurbishing aging assets
- Emerging industries and system requirements helping drive expansion of transmission network
- 2018 allowed ROE of 9.00% with 40% / 60% deemed equity/debt capital structure. 2019 rates are inflationary and grew 1.4% from 2018 base Revenue Requirement

LDC Customers	42
Large Directly Connected Industrial Customers	84
Transmission Lines (Circuit KM)	30,000
Transmission Stations In Service	309
Cross Border Interconnections	25

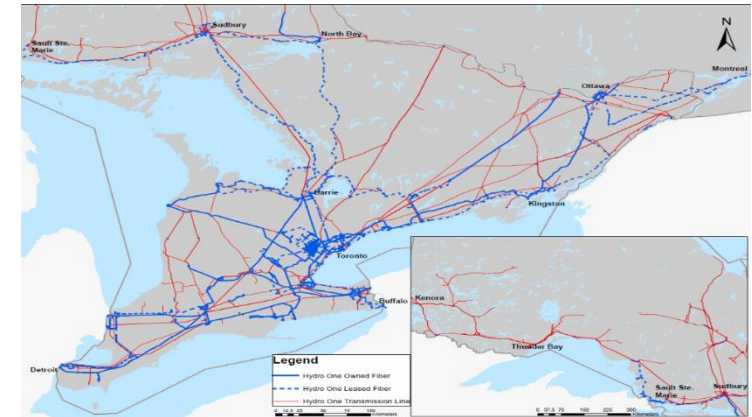
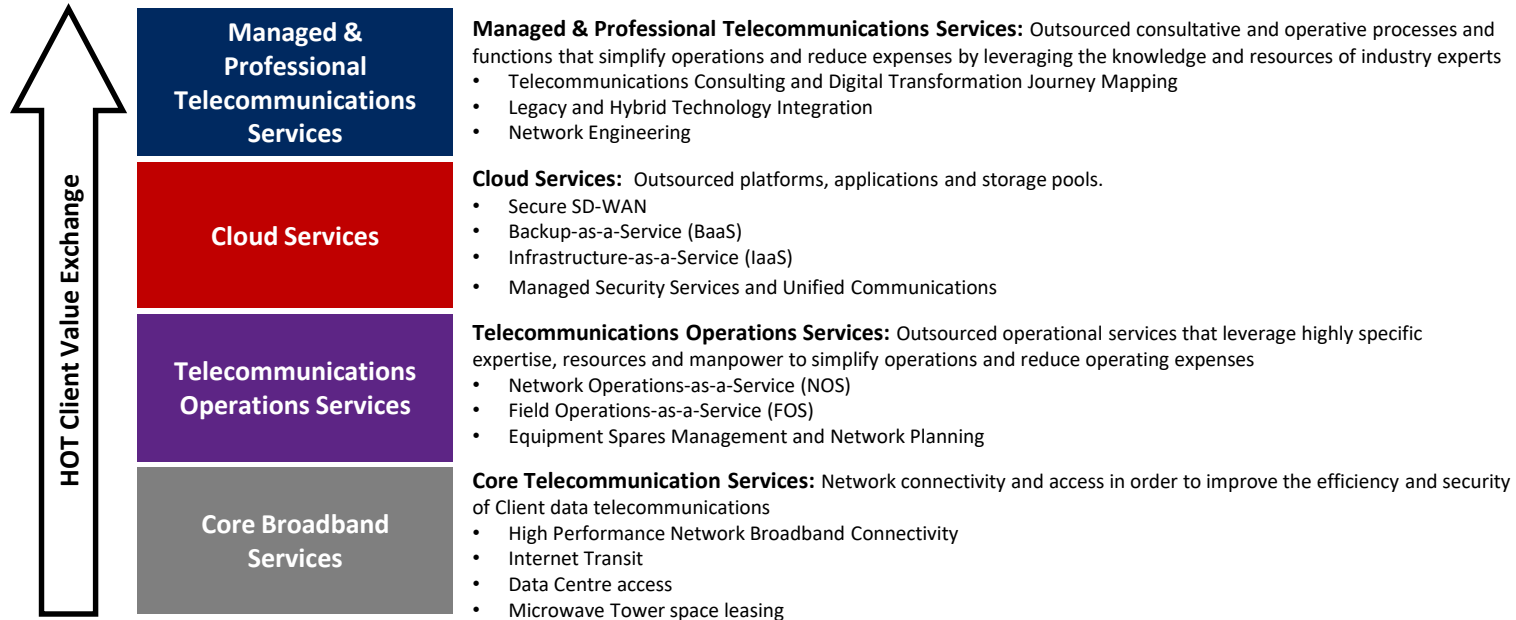
Distribution

- Distribution is a stable, rate-regulated business operating under OEB cost of service framework
- Growing rate base with planned annual capex of ~\$650 - \$800 million through 2022
- Allowed ROE of 9.00% with 40% / 60% deemed equity/debt capital structure through application
- 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
- 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	~1.4M
Distribution and Regulating Stations	1,000

GROWTH OPPORTUNITIES FOR THE TELECOM BUSINESS

FOCUS ON VALUE-ADDED SERVICES



The Market

- Core connectivity revenues declining; a shift towards cloud connectivity, managed services & security-based services with increasing bandwidth demand
- Canadian telecom market is approx. \$49B (2017) – Enterprise and Wholesale segments represent nearly \$17B of the addressable market with Ontario 43% of the national total

Hydro One Telecom Services	Historical	Future	
<ul style="list-style-type: none"> ▪ Fibre connectivity ▪ Internet transit 	<ul style="list-style-type: none"> ✓ ✓ 	<ul style="list-style-type: none"> ✓ ✓ 	Historical Hydro One Telecom Leveraged Hydro One Network fibre assets to provide secure, low latency broadband connectivity in Ontario extending to Montreal with connections into Buffalo and Detroit
<ul style="list-style-type: none"> ▪ Data center connectivity and tower space leasing to ISPs and other Telcos, Public Sector & Enterprise accounts ▪ Security ▪ Cloud connectivity ▪ Data backup and recovery ▪ Professional services across all verticals 	<ul style="list-style-type: none"> ✓ 	<ul style="list-style-type: none"> ✓ ✓ ✓ ✓ ✓ 	Future Hydro One Telecom Pivot HOTI from a sole focus on commoditized connectivity to a solutions company responding to market demand for new services and increasing bandwidth. Differentiate HOTI from traditional service providers through an excellent client experience and responsiveness, offering choice and value

SUSTAINABILITY AT HYDRO ONE

In 2018, Hydro One conducted a formal materiality assessment to identify the sustainability issues that matter most to our business, stakeholders and partners

Approach to Sustainability

In 2018, we focused on developing the groundwork to build a successful sustainability program through the completion of a detailed materiality assessment.



A Matrix of 10 Material Issues Identified¹



- Customers Come First
- Building a Grid for the Future
- Environmental Management
- Supporting Stronger Communities
- People and Potential

Featured Outcomes of the 2018 Sustainability Report

- In 2018, the representation of visible minorities in executive positions increased to 15.6% from 11.4%
- We improved restoration time following a storm by 33% since a similar-sized event five years ago
- Injected \$1.3 billion into Ontario's economy through procurement, with 85% spent on Ontario suppliers
- Strengthened ties with Indigenous leaders, businesses and communities across the province
- Approximately \$2.6 million in investments to community initiatives
- Capital investments of \$1.6 billion to renew and modernize Ontario's electricity system
- Transmission customer satisfaction reached an all-time high at 90 per cent

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

DELIVERING CLEAN AND SUSTAINABLE ENERGY

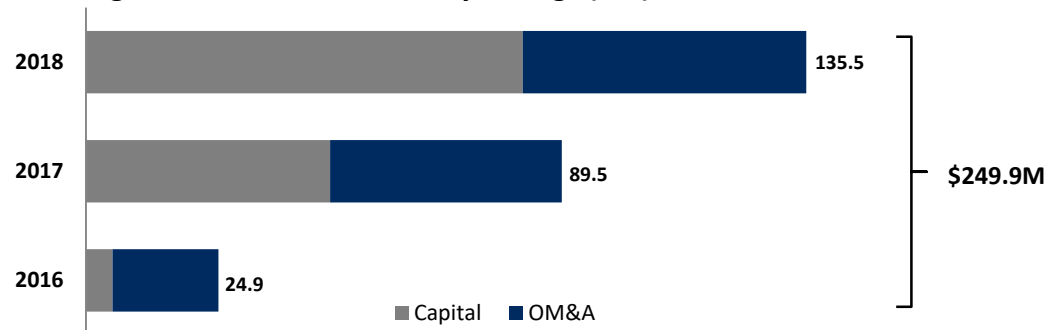
Transmitting and delivering some of the cleanest energy in North America

- 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 seven utilities in Canada to achieve the Sustainable Energy Company designation from the Canadian Electrical Association
- Ontario electricity now generated by: nuclear 58%, hydro 24%, natural gas 6%, wind 8%, solar 2%, other 2%
- Hydro One recognized as one of the Best 50 Corporate Citizens in Canada by Corporate Knights in 2019
- 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
- In 2019, Hydro One released its report on the Carbon Disclosure Project (CDP) in which it outlined actions to address climate change



ACHIEVEMENTS AND EFFICIENCIES

Paving New Paths in Productivity Savings (\$M)

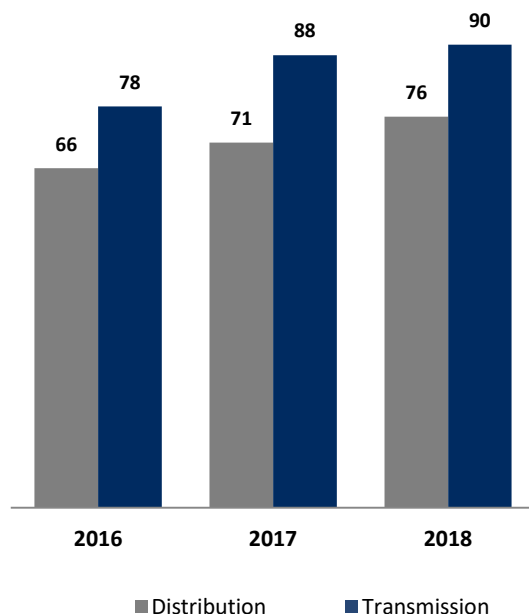


Generated productivity savings of \$135.5 million in 2018 comprised of \$53.3 million in OM&A and \$82.2 million in capital and totaling a quarter of a billion dollars since 2015

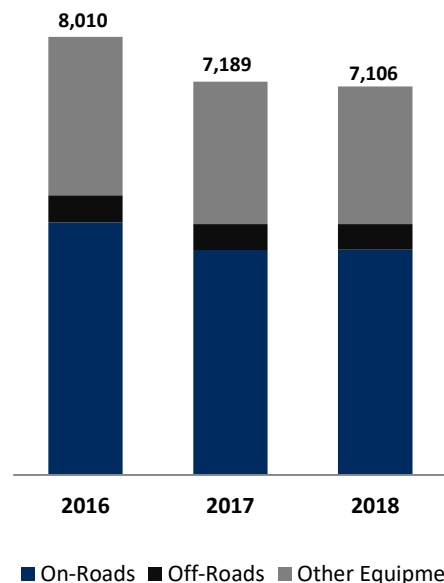


Move to Mobile transformed work processes and implemented technology that automated the scheduling & dispatching functions

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 identify underutilized fleet equipment causing a reduction of fleet size by 10%

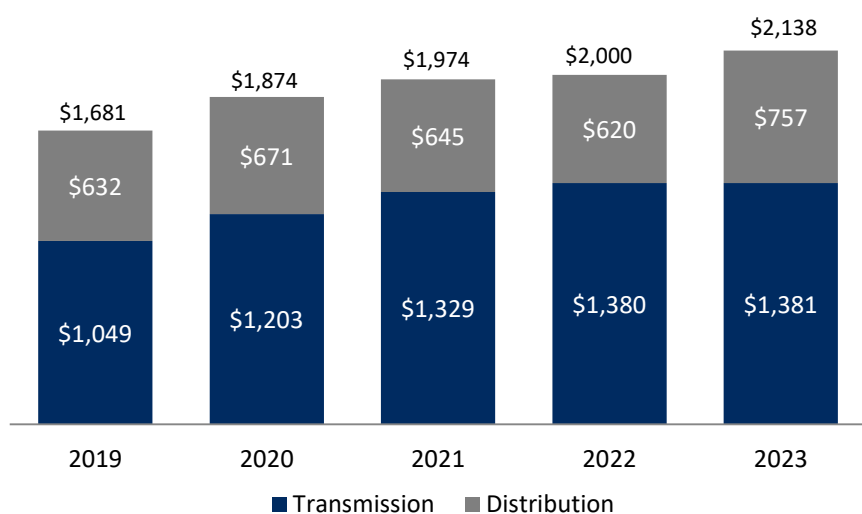


Optimal Cycle Protocol (OCP) is a state-of-the-art vegetation management program that was implemented in October 2017. OCP will shorten tree clearing and trimming cycle to 3 years from 10 years

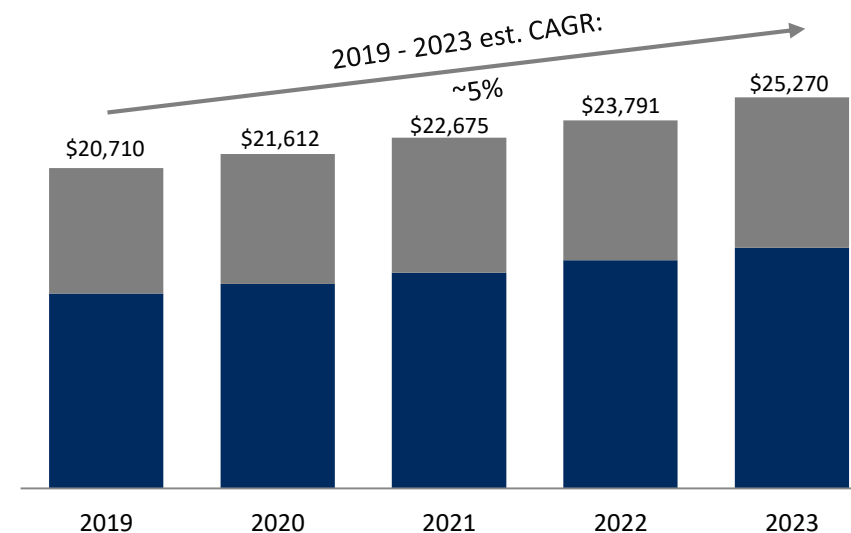
\$10B OF CAPITAL INVESTMENT DRIVING RATE BASE GROWTH

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

Projected Regulated Capital Investments* (\$M)



Projected Rate Base Growth*

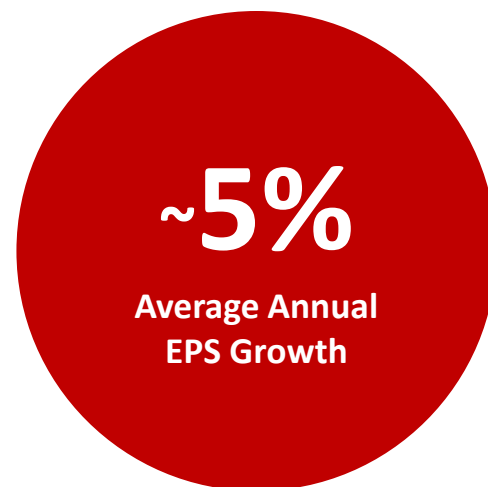


* Company estimates subject to change and include amounts from 2018-2022 Approved Distribution Rate Order, 2019 Transmission inflationary filing, and 2020-2022 Transmission filing which is subject to OEB approval

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

STABLE GROWTH PROFILE THROUGH 2023



1) Rate Base growth represents an expected CAGR from 2019-2023

Notes

- Company estimates subject to change and include amounts from 2018-2022 Approved Distribution Rate Order, 2019 Transmission inflationary filing, and 2020-2022 Transmission filing which is subject to OEB approval
- Growth rates included in this slide are dependent upon approval of 2020 Transmission filing as currently filed
- 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.

INFRASTRUCTURE INVESTMENTS

Niagara Reinforcement Project



Estimated Total Project Cost: \$135 million

Capital Cost To Date: Completed

Anticipated In-Service Date: 2019

The Niagara Reinforcement Project was placed in-service in August 2019.

Leamington Area Transmission Reinforcement¹



Estimated Total Project Cost: \$325 million

Capital Cost To Date: Not started

Anticipated In-Service Date: 2026

The Leamington Area Transmission Reinforcement project consists of the construction of a new double-circuit line between Chatham and Leamington and associated transmission stations and connections. The project is currently in the development stage.

Integrated System Operating Centre



Estimated Total Project Cost: ~\$150 million

Capital Cost To Date: Not Started

Anticipated In-Service Date: 2021

Integrated System Operating Centre (ISOC), will accommodate the following functions: Primary Transmission and Distribution Operating, Telecommunication Management Centre; Security Operations; and general back office

Richview Transmission Station



Estimated Total Project Cost: \$115 million

Capital Cost To Date: \$106 million

Anticipated In-Service Date: 2021

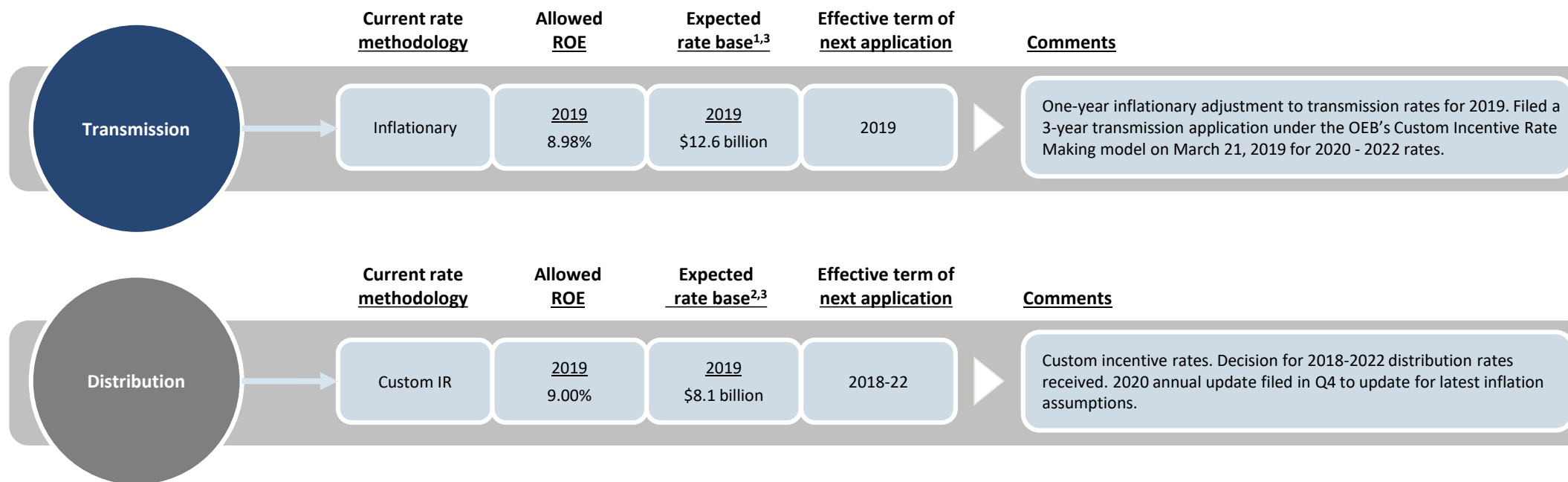
Replacement of 50 year old end-of-life equipment at Richview Transformer Station to ensure the secure and reliable power supply to the City of Toronto and surrounding communities

1) The Leamington Area Transmission Reinforcement project consists of the construction of a new double-circuit line between Chatham and Leamington and associated transmission stations and connections. The project is currently in the development stage. The anticipated in-service dates for the line and stations are between 2020 and 2026, and the total estimated cost is in the range of \$290 million to \$325 million, with approximately \$143 million of the total estimated cost included in the projected capital investments.

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 a 2018 – 2022 five year term
- Received a decision for transmission rates under the OEB’s Incentive Rate Making model on April 25, 2019 for 2019 rates
- Filed a 3-year transmission application under the OEB’s Custom Incentive Rate Making model on March 21, 2019 for 2020 - 2022 rates



(1) Transmission rate base includes 100% of B2M JV, Niagara Reinforcement Partnership 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 2019 filed transmission rate application

SEGMENTED 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

	Distribution OEB Approved 2018-2022				Transmission Subject to OEB Approval 2020-2022			
Rebasing Year	2018				2020			
Revenue Requirement Determined By ^{1,2,3} :	Custom Revenue Cap Index (RCI) by Component (%)				Custom Revenue Cap Index (RCI) by Component (%)			
	(1) Inflation Adjustment Factor ⁵				(1) Inflation Adjustment Factor ⁵			
	(2) Less: Productivity Stretch Factor Offset				(2) Less: Productivity Stretch Factor Offset			
	(3) Add: Capital Factor				(3) Add: Capital Factor			
	(4) Equals: Custom Revenue Cap Index Total				(4) Equals: Custom Revenue Cap Index Total			
	2019	2020	2021	2022	2019 ⁴	2020	2021	2022
(1)	1.50%	2.00%	1.50%	1.50%	(1)	1.40%	1.40%	1.40%
(2)	(0.45%)	(0.45%)	(0.45%)	(0.45%)	(2)	0.00%	0.00%	0.00%
(3)	1.65%	1.21%	1.95%	1.85%	(3)		3.58%	4.11%
(4)	2.70%	2.76%	3.00%	2.90%	(4)	1.40%	4.98%	5.51%
Earnings Sharing Method	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							
Allowed ROE	9.00% through test years				8.52% through test years (2020-2022)			
Effective Rate Setting	May 1, 2018				May 1, 2019 for 2019 Rates January 1 for respective rates 2020-2022			

(1) Source: Distribution Draft Rate Order filed in April, 2019

(2) Source: Transmission 2020-2022 Rate Application. Update as part of the Oral Hearing Presentation and provided on October 22, 2019

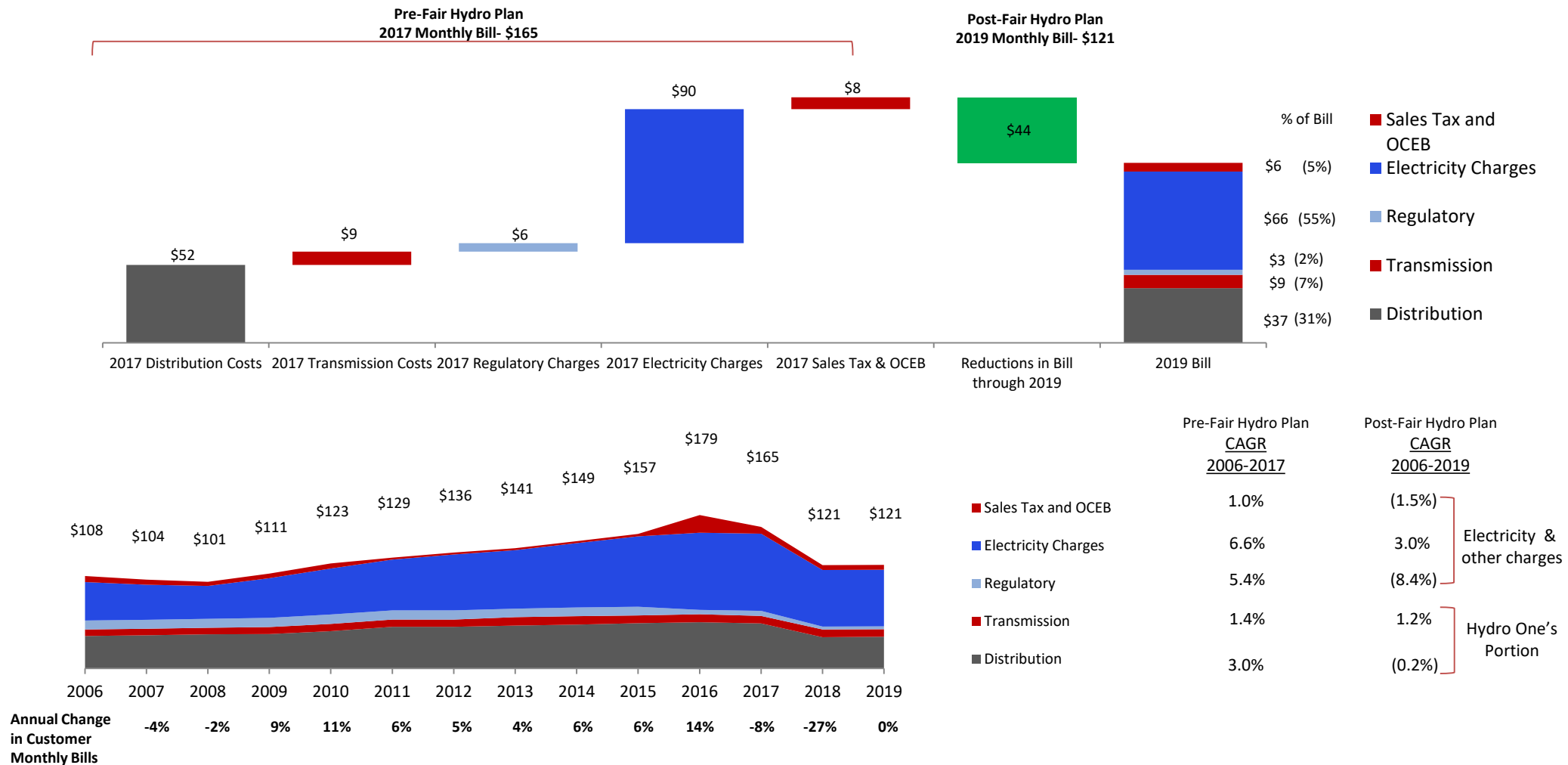
(3) Source: Filed in Hydro One's 2020 annual update application on August 30, 2019. Subject to OEB approval. Capital factors updated to reflect findings OEB's decision for Hydro One's 2018-2022 Custom IR distribution rate application

(4) 2019 Transmission Inflationary Application is an Inflationary filing approved on April 25, 2019

(5) Inflation Adjustment Factor is updated annually for Transmission and Distribution

REDUCING OUR CUSTOMER BILLS

Since 2017, Hydro One customer bills have decreased on average from \$165 to \$121 per month

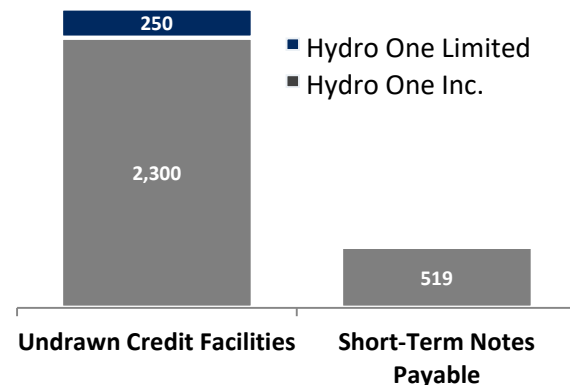


Note: The charts represent the breakdown of a typical bill for a Hydro One medium-density residential local distribution end customer using 750 kWh a month. Subject to update upon effective rate setting.
 1) OCEB is an abbreviation for the Ontario Clean Energy Benefit

STRONG BALANCE SHEET AND LIQUIDITY

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

Significant Available Liquidity (\$M)



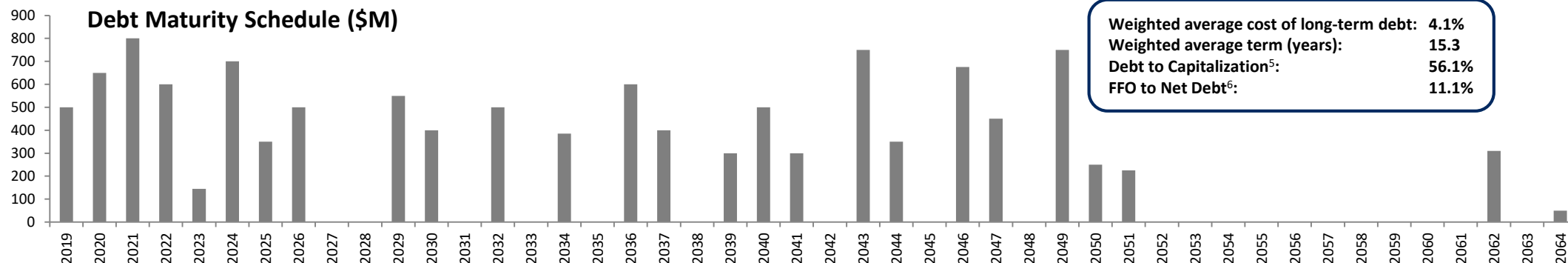
Strong Investment Grade Credit Ratings (LT/ST/Outlook)

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

Debt Maturity Schedule (\$M)



(1) On November 8, 2019, 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 September 30, 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.

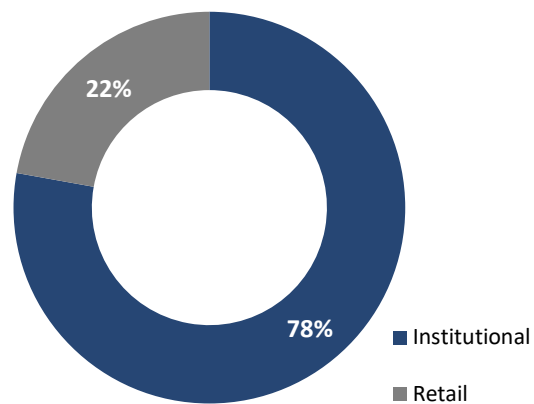
(4) At September 30, 2019, \$2.9 billion was drawn from the Medium Term Note Shelf, leaving \$1.1 billion available for issuance until April 2020.

(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 Q3 2019 has not been adjusted for one-time costs related to the termination of the Avista Corporation acquisition.

EQUITY MARKET CAP OVERVIEW

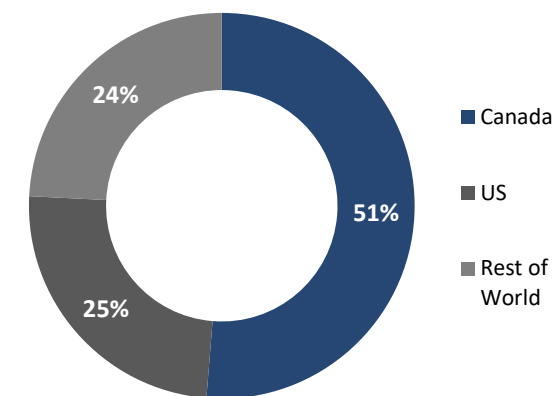
Approximate Ownership of Public Float



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

- ~597 million common shares outstanding, listed on Toronto Stock Exchange (TSX: H)
- Equity market capitalization of ~\$14.5 billion¹ and public float of ~\$7.6 billion
- Equity market capitalization amongst the top 60 of all listed Canadian companies

(1) Based on closing share price on September 30th, 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 Dates³

Declaration Date	Record Date	Payment Date
November 6, 2019	December 11, 2019	December 31, 2019

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 September 30th, 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.

APPENDIX



3Q19 FINANCIAL SUMMARY

(millions of dollars, except EPS)	Third Quarter			YTD		
	2019	2018	% Change	2019	2018	% Change
Revenue						
Transmission	\$443	\$493	(10.1%)	\$1,245	\$1,344	(7.4%)
Distribution	1,140	1,103	3.4%	3,490	3,284	6.3%
Distribution (Net of Purchased Power)	403	370	8.9%	1293	1126	14.8%
Other	10	10	0.0%	30	31	(3.2%)
<i>Consolidated</i>	1,593	1,606	(0.8%)	4,765	4,659	2.3%
Consolidated (Net of Purchased Power)	856	873	(1.9%)	2,568	2,501	2.7%
OM&A Costs	259	271	(4.4%)	942	797	18.2%
Earnings Before Financing Charges and Income Taxes (EBIT)						
Transmission	232	287	(19.2%)	607	728	(16.6%)
Distribution	153	120	27.5%	541	397	36.3%
Other	(7)	(18)	-	(174)	(41)	-
Consolidated	378	389	(2.8%)	974	1,084	(10.1%)
Net Income (Loss) ¹	241	194	24.2%	567	616	(8.0%)
Adjusted Net Income (Loss) ^{1,2}	241	227	6.2%	707	631	12.0%
Basic EPS	\$0.40	\$0.33	21.2%	\$0.95	\$1.03	(7.8%)
Basic Adjusted EPS¹	\$0.40	\$0.38	5.3%	\$1.19	\$1.06	12.3%
Capital Investments	424	402	5.5%	1,105	1,108	(0.3%)
Assets Placed In-Service						
Transmission	294	112	162.5%	509	466	9.2%
Distribution	129	126	2.4%	331	389	(14.9%)
Other	10	1	-	14	6	-
Consolidated	433	239	81.2%	854	861	(0.8%)

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

TOP TRANSMISSION CAPITAL PROJECTS UNDERWAY

Development Project Name	Location	Type	Anticipated In-Service Date	Estimated Cost	Capital Cost To-Date
Niagara Reinforcement Project	Niagara area Southwestern Ontario	New transmission line	2019 ¹	\$135 million	\$135 million
Wataynikaneyap Power LP Line Connection	Pickle Lake Northwestern Ontario	New stations and transmission connection	2021	\$31 million	\$1 million
East-West Tie Station Expansion	Northern Ontario	New transmission connection and station expansion	2022 ²	\$157 million	\$41 million
Waasigan Transmission Line	Thunder Bay-Atikokan-Dryden Northwestern Ontario	New transmission line	2024 ³	\$35 million ³	\$2 million ³
Leamington Area Transmission Reinforcement	Leamington Southwestern Ontario	New transmission line and stations	2026 ⁴	\$325 million	-

Sustainment Project Name	Location	Type	Anticipated In-Service Date	Estimated Cost	Capital Cost To-Date
Richview Transmission Station Circuit Breaker Replacement	Toronto Southwestern Ontario	Station sustainment	2021	\$115 million	\$106 million
Bruce A Transmission Station	Tiverton Southwestern Ontario	Station sustainment	2021	\$147 million	\$132 million
Beck #2 Transmission Station Circuit Breaker Replacement	Niagara area Southwestern Ontario	Station sustainment	2023	\$113 million	\$74 million
Lennox Transmission Station Circuit Breaker Replacement	Napanee Southeastern Ontario	Station sustainment	2023	\$111 million	\$73 million
Middleport Transmission Station Circuit Breaker Replacement	Middleport Southwestern Ontario	Station sustainment	2025	\$116 million ⁵	\$27 million

(1) The Niagara Reinforcement Project was placed in-service in August 2019. See section Regulation - Niagara Reinforcement Limited Partnership for additional information.

(2) The majority of the East-West Tie Station Expansion project is expected to be placed in-service in 2021, enabling the connection and energization of the new East-West Tie transmission line. Additional work to complete the upgrades is expected to be placed in-service in 2022.

(3) The in-service date and the costs of the Waasigan Transmission Line project (formerly known as Northwest Bulk Transmission Line Development project) relate to the development phase.

(4) The Leamington Area Transmission Reinforcement project consists of the construction of a new double-circuit line between Chatham and Leamington and associated transmission stations and connections. The project is currently in the development stage. The anticipated in-service dates for the line and stations are between 2020 and 2026, and the total estimated cost is in the range of \$290 million to \$325 million, with approximately \$143 million of the total estimated cost included in the projected capital investments

(5) Approximately \$107 million of the total estimated cost is included in the projected capital investments

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: Canadian Energy Regulator

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

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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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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 2018 full year MD&A.

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