One of North America’s Largest Electric Utilities

- Pure play electric transmission and distribution utility
- 30,000 circuit KMs of transmission lines across 98% of Ontario, home to 38% of Canadian population
- Largest local distribution company (LDC) in Ontario with 1.3 million end customers
- 99% of revenue from regulated operations
- Combined transmission and distribution rate base of $17.83 billion
- Common shares traded on the TSX under ticker symbol “H”
- Market Capitalization of ~$13.5 billion

Service area is larger than France or the State of Texas
Comprehensive Value Proposition

- One of the largest electric utilities in North America, with a market capitalization of ~$13.5 billion
- Significant scale and leadership position in Ontario, home to ~38% of Canada's population
- Transmission network serves 98% of Ontario, together with a local distribution network serving ~25% of end customers across 75% of the Province
- Stable and growing cash flows with 99% of overall business fully rate-regulated
- No generation or material exposure to commodity prices as the cost of electricity is passed directly to consumers
- Predictable self-funding organic growth profile with +5% expected five year rate base CAGR exceeding depreciation under multi-year capital investment plan to upgrade aging infrastructure
- Privatization initiative and stated objective 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
- Blue chip independent Board together with legislated governance agreement ensure autonomous commercial operations with Province as an investor and not a manager
- Strong balance sheet with investment grade “A” credit ratings and significant available liquidity
- 70% - 80% target dividend payout ratio with recently increased annualized dividend of $0.88 per share

A unique low-risk opportunity to invest in the transformation of a premium, large scale, stable transmission & local distribution electric utility
Hydro One at a Glance (Full Year 2016)

Total Revenue (Hydro One Limited)

Unregulated 1%  $6.6 Billion  99% Regulated

Overview of Regulated Business

Revenue Net of Purchased Power¹

Capital Investments

Total Assets

EBIT

Rate Base²

Total Assets

Capital Investments

EBIT

Revenue Net of Purchased Power¹

Total Assets

Capital Investments

EBIT

Rate Base²

(1) Purchased power is a flow through to customers; (2) Transmission rate base includes 100% of B2M JV rate base and Hydro One Sault Ste. Marie

Hydro One’s Role in the Electric System

Transmission

Distribution

Electricity Generation Sources

Transformer (Increased to higher voltage)

Transmission System

Transformer (Decreased to medium voltage)

Distribution System

Transformer (Decreased to lower voltage)

Industrial, Residential, Commercial Customers

A large scale, pure-play electric transmission and distribution utility

One of North America’s Largest Electric Utilities
Preparing to Accelerate Growth

Executive Leadership Team

Mayo Schmidt
President and CEO

100%

Greg Kiraly
Chief Operating Officer

Ferio Pugliese
EVP, Customer Care & Corporate Affairs

Judy McKellar
EVP, Chief Human Resources Officer

Jamie Scarlett
Chief Legal Officer

Paul Barry
EVP, Strategy & Corporate Development

Chief Financial Officer
Pending Replacement

Corporate Structure

Public Company

Hydro One Limited
TSX: H

100%

Public Debt Issuer

Hydro One Inc.

100%

100%

100%

Hydro One Networks Inc.

Rate-Regulated Businesses
(99% of revenue)

Hydro One Remote Communities Inc.

Hydro One Telecom Inc.

Non-Rate-Regulated Business

Proven leadership with demonstrated experience transforming organizations and growing shareholder value
Management Focus

• Reinvigorated focus on integrating customer needs and advocacy into business decision making
• Deliver best in class operating metrics and position Hydro One for accelerated growth
• Increased concentration on generating operating efficiencies and productivity
• Accelerate effectiveness and efficiency of capital deployment as stewards of the grid
• Successfully transition from cost of service to incentive-based rate regulation
• Make Hydro One a more rewarding and safer place to work for employees
• Continue to consolidate fragmented Ontario electric local distribution market with an open mind to accretive North American utility opportunities
• Adapt to the emerging industry technology landscape

Building commercial excellence to transform Hydro One from good to great
# Transmission Business

## Electric Transmission Network

![Map of Electric Transmission Network](image)

<table>
<thead>
<tr>
<th>Key Points</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>One of North America’s largest electric power transmitters, owning and operating 98% of Ontario's transmission capacity</td>
<td></td>
</tr>
<tr>
<td>Transmission produces reliable cash flow with low volatility under Ontario Energy Board (OEB) cost of service regulation</td>
<td></td>
</tr>
<tr>
<td>Growing rate base with planned annual capital investments of ~$1,000 - $1,500 million through 2021 with focus on refurbishing aging assets</td>
<td></td>
</tr>
<tr>
<td>Continued shift to renewable and distributed generation sources helping drive expansion of transmission network</td>
<td></td>
</tr>
<tr>
<td>20,690 mega-watts of average monthly 60-minute peak demand in 2016</td>
<td></td>
</tr>
<tr>
<td>2017 allowed ROE of 8.78% with 40% / 60% deemed equity / debt capital structure</td>
<td></td>
</tr>
<tr>
<td>No meaningful exposure to generation and power costs are passed through to end customers</td>
<td></td>
</tr>
<tr>
<td>Acquisition of Great Lakes Power Transmission completed on October 31, 2016</td>
<td></td>
</tr>
</tbody>
</table>

### Local distribution company (LDC) customers

<table>
<thead>
<tr>
<th>Local distribution company (LDC) customers</th>
<th>44</th>
</tr>
</thead>
</table>

### Large directly connected industrial customers

<table>
<thead>
<tr>
<th>Large directly connected industrial customers</th>
<th>87</th>
</tr>
</thead>
</table>

### Transmission lines (circuit KMs)

<table>
<thead>
<tr>
<th>Transmission lines (circuit KMs)</th>
<th>30,000</th>
</tr>
</thead>
</table>

### Transmission stations in service

<table>
<thead>
<tr>
<th>Transmission stations in service</th>
<th>306</th>
</tr>
</thead>
</table>

### Cross border interconnections

<table>
<thead>
<tr>
<th>Cross border interconnections</th>
<th>25</th>
</tr>
</thead>
</table>
Local Distribution Business (LDC)

The largest electric LDC in Ontario with further expansion opportunities

Electric Distribution Footprint

Key Points

- The largest electric power distributor in Ontario, with +1.3 million residential and business end customers, and 55 municipal utility customers
- Distribution is a stable, rate-regulated business operating under OEB cost of service framework with transition to performance-based model in 2018
- Growing rate base with planned annual capital investments of ~$650 - $750 million through 2021
- 2017 allowed ROE of 8.78% with 40% / 60% deemed equity/debt capital structure
- Recent OEB decision in place transitioning residential distribution rates to fully fixed (decoupling)
- 26,289 giga-watt hours of electricity distributed to customers in 2016
- Recent Haldimand, Woodstock, Norfolk LDC acquisitions grew customer base by ~5%
- Drivers of growth include rate base expansion, productivity improvements and continued consolidation of other LDC’s

| Individual LDCs consolidated since 2000 | ~90 |
| Distribution lines (circuit KMs)       | 123,000 |
| Distribution poles                     | 1.6 million |
| Distribution and regulating stations   | 1,005 |
| Distribution end customers             | +1.3 million |
| Remaining stand alone LDCs in Ontario  | ~65 |
| Generation / exposure to power costs   | De minimis |
Hydro One Telecom Business

Fiber Optic Network Footprint

Key Points
- Unregulated business with +$85 million revenue and +$24 million EBITDA in 2016
- 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 telcos and public sector entities
- Currently expanding number of data center connections and launching managed security, cloud backup and data recovery solutions

Leveraging geographically unique fiber optic network along transmission network routes to generate non-regulated cash flows

<table>
<thead>
<tr>
<th>Fiber optic lines (route KMs)</th>
<th>6,400</th>
</tr>
</thead>
<tbody>
<tr>
<td>Network points of presence</td>
<td>81</td>
</tr>
<tr>
<td>Customer site connections</td>
<td>1,900</td>
</tr>
<tr>
<td>Data centers connected</td>
<td>30</td>
</tr>
</tbody>
</table>
One of North America's Largest Electric Utilities

$10B of Capital Investment Driving Rate Base Growth

### Projected Capital Investments* ($M)

<table>
<thead>
<tr>
<th>Year</th>
<th>Transmission</th>
<th>Distribution</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2017</td>
<td>$1,086</td>
<td>$648</td>
<td>$1,734</td>
</tr>
<tr>
<td>2018</td>
<td>$1,132</td>
<td>$647</td>
<td>$1,779</td>
</tr>
<tr>
<td>2019</td>
<td>$1,217</td>
<td>$771</td>
<td>$1,988</td>
</tr>
<tr>
<td>2020</td>
<td>$1,278</td>
<td>$735</td>
<td>$2,013</td>
</tr>
<tr>
<td>2021</td>
<td>$1,486</td>
<td>$749</td>
<td>$2,235</td>
</tr>
</tbody>
</table>

### Projected Rate Base Growth*

<table>
<thead>
<tr>
<th>Year</th>
<th>Transmission</th>
<th>Distribution</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>2016</td>
<td>$17,831</td>
<td>$2,153</td>
<td>$19,984</td>
</tr>
<tr>
<td>2017</td>
<td>$18,672</td>
<td>$2,153</td>
<td>$20,825</td>
</tr>
<tr>
<td>2018</td>
<td>$19,824</td>
<td>$2,444</td>
<td>$22,268</td>
</tr>
<tr>
<td>2019</td>
<td>$20,885</td>
<td>$2,735</td>
<td>$23,620</td>
</tr>
<tr>
<td>2020</td>
<td>$22,140</td>
<td>$3,026</td>
<td>$25,166</td>
</tr>
<tr>
<td>2021</td>
<td>$23,392</td>
<td>$3,317</td>
<td>$26,709</td>
</tr>
</tbody>
</table>

### 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

* Company estimates subject to change and include amounts from May 2016 filed transmission and March 2017 filed distribution rate applications which are both subject to OEB approval

Consistent and predictable organic growth profile underpinned by required replacement of aging infrastructure
Two Representative Medium Scale Capital Projects

Clarington Transmission Station

Key points

• Estimated Total Project Cost: $267 million
• Capital Cost To Date: $210 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

Key points

• Estimated Total Project Cost: $103 million
• Capital Cost To Date: $75 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
Pending Avista Acquisition

Avista Business Overview

<table>
<thead>
<tr>
<th>2016A</th>
</tr>
</thead>
<tbody>
<tr>
<td>Revenue</td>
</tr>
<tr>
<td>EBITDA</td>
</tr>
<tr>
<td>Net Income</td>
</tr>
</tbody>
</table>

2016 Customers

- 726,000\(^1\)
- 46% Avista Gas Utilities
- 52% Avista Electric Utilities
- 2% AEL&P

2016 Electric Generation\(^2\)

- 2,072 MW
- 49% Hydro Electric
- 35% Natural Gas
- 4% Wind
- 10% Coal
- 2% Biomass

2016 Rate Base

- $3,877 M
- 78% Electric
- 22% Gas
- ID Electric, 25%
- WA Electric, 49%
- WA Gas, 10%
- AK Electric, 4%
- OR Gas, 7%
- ID Gas, 5%

2016 Rate Base by State

- AK Electric, 4%
- ID Electric, 25%
- WA Gas, 10%
- WA Electric, 49%
- OR Gas, 7%
- ID Gas, 5%

Service Area

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

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

---

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
Pending Avista Acquisition

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

<table>
<thead>
<tr>
<th>Allowed Equity Returns</th>
<th>Allowed ROE</th>
<th>Equity Capitalization</th>
</tr>
</thead>
<tbody>
<tr>
<td>ON</td>
<td>8.78%</td>
<td>40.00%</td>
</tr>
<tr>
<td>WA</td>
<td>9.50%</td>
<td>48.50%</td>
</tr>
<tr>
<td>ID</td>
<td>9.50%</td>
<td>50.00%</td>
</tr>
<tr>
<td>OR</td>
<td>9.40%</td>
<td>50.00%</td>
</tr>
<tr>
<td>AK</td>
<td>12.88%</td>
<td>53.80%</td>
</tr>
</tbody>
</table>

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

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

### '16 Rate Base
- **Hydro One**: $17,831 (100% Electric)
- **Avista**: $3,877 (22% Gas, 78% Electric)

### '16 Rate Base by Geography
- **Ontario, 100%**: $17,831
- **OR, 7%**: $3,877
- **WA, 59%**: $3,877
- **ID, 30%**: $3,877
- **AK, 4%**: $3,877

### '16 Net Income
- **Ontario, 100%**: $721
- **Avista Service Territory**: $174

### Pro-Forma Hydro One
- **3% Gas**: $21,708 (97% Electric)

### Note:
- Combination of Avista and Hydro One numbers as reported using an exchange rate of C$ / US$ 1.264
- Pro forma net income does not include any potential adjustments required as a result of the merger including funding costs or other expenses.

Diversification across multiple geographies, economies, regulatory jurisdictions and utility businesses enhances stability and strategic positioning.
Ontario Mergers and Acquisitions Update

Hydro One Sault Ste. Marie (Great Lakes Power Transmission)

Key points
- OEB approval received October 13, 2016 and transaction closed October 31, 2016
- Increased Hydro One’s transmission coverage to ~98% of province-wide capacity
- Expected to be earnings accretive in first full year
- 560km of high voltage transmission lines, towers and stations
- $376 million purchase price, including approximately $150 million of assumed debt

Key points
- Transaction announced August 15, 2016
- $41 million purchase price, including approximately $15 million of assumed debt and regulatory liabilities, subject to closing adjustments
- Serves 14,000 customers located in Simcoe County, and is surrounded by existing Hydro One service territory
- Conditional agreements to build backup grid control center and additional operating facilities following closing
- Closing subject to OEB approval

Continuing to consolidate the fragmented Ontario electric utility market
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)

- 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

Consistent, independent regulator with a transparent rate-setting process

---

(1) Transmission rate base includes 100% of B2M JV rate base and Hydro One Sault Ste. Marie (2) Distribution Rate Base includes recent LDC acquisitions and Hydro One Remote Communities
Distribution Segment Incentive Regulatory Construct

- 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)

- Cost of capital parameters to be set based on September 30, 2017 market rates, to be updated in 2021

- 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 5.3% over five year term of filing

- Average annual impact on rates over the five year term of the rate application is 3.5%

- Transmission segment incentive rate filing expected to be filed under same construct in early 2018 for five year period 2019 – 2023

The transition from cost of service to incentive based regulatory model coincident with transformation of business will create value for both customers and shareholders.
The Typical Residential Hydro One End Customer Bill

End Customer Monthly Electric Bill Breakdown

(1) The pie chart represents the breakdown of a typical bill for a Hydro One medium-density residential local distribution end customer using 750 kWh a month with a typical consumption profile (18% of electricity used during on-peak, 18% used mid-peak and 64% used off-peak); Includes impact of 8% rebate of the provincial portion of the sales tax

(2) Includes cost of line losses

Growth in Typical Hydro One End Customer Electric Bill

<table>
<thead>
<tr>
<th>Component</th>
<th>10 Year Compound Annual Growth Rate (CAGR)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Electricity Charges</td>
<td>8.2%</td>
</tr>
<tr>
<td>Transmission</td>
<td>1.5%</td>
</tr>
<tr>
<td>Distribution</td>
<td>3.1%</td>
</tr>
</tbody>
</table>

Hydro One Portion - 10 Year CAGR: 2.9%
Strong Balance Sheet and Liquidity

Significant Available Liquidity ($M)

- Hydro One Limited
- Hydro One Inc.
- Undrawn Credit Facilities: 2,300
- Commercial Paper Outstanding (Under $1.5B CP Program): 715

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

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

Shelf Registrations

- HOL: Universal Shelf\(^3\) $8B
- HOI: Medium Term Note Shelf \(^4\) $3.5B

Debt Maturity Schedule ($M)

- Weighted average cost of debt: 4.3%
- Weighted average term (years): 15.4
- Debt to Capitalization\(^5\): 53.0%
- FFO to Net Debt: 13.8%

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

---

\(^1\) On July 19, 2017, S&P revised its outlook on Hydro One Limited and Hydro One Inc. to negative from stable while affirming the existing ratings. S&P indicated that the negative outlook on Hydro One Limited reflects its view that the Merger signals a shift in Hydro One Limited’s business strategy, which will align the company with its global peers removing the historical rationale for a one-notch rating uplift, and the execution and financing risk inherent in any large acquisition.

\(^2\) On July 19, 2017, Moody's affirmed the ratings of Hydro One Inc. and changed the outlook to negative from stable. Moody's indicated that the negative outlook on Hydro One Inc. reflects its view that the Merger will reduce the probability of extraordinary support from the Province.

\(^3\) $2,790 million was drawn from the Universal Shelf during May 2017 with respect to a secondary share offering by the Province, leaving $3,240 million remaining available until April 2018.

\(^4\) $950 million was drawn from the Medium Term Note Shelf on November 18, 2016, leaving $1,200 million remaining available until January 2018.

\(^5\) Debt to capitalization ratio has been calculated as net debt divided by net debt plus total shareholder’s equity, including preferred shares but excluding any amounts related to non-controlling interest.
Equity Market Cap Overview

- 595 million common shares outstanding, listed on Toronto Stock Exchange (TSX: H)
- Equity market capitalization of ~$13.5 billion 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
- Equity index inclusions to date:
  - FTSE All-World (Canada)
  - MSCI World (Canada)
  - Dow Jones Canada Select Utilities
  - S&P/TSX Composite Index
  - S&P/TSX Composite Dividend Index
  - S&P/TSX Composite Low Volatility Index
  - S&P/TSX Utilities Index

Approximate Ownership of Public Float

- Institutional: 63%
- Retail: 37%

Approximate Geographic Dispersion of Public Float

- Canada: 75%
- US: 21%
- Rest Of World: 4%
One of North America’s Largest Electric Utilities

Common Share Dividend Increased May 4th, 2017

**Dividend Statistics**

<p>| | |</p>
<table>
<thead>
<tr>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Yield¹</td>
<td>3.8%</td>
</tr>
<tr>
<td>Annualized Dividend²,³</td>
<td>$0.88 / share</td>
</tr>
</tbody>
</table>

(¹) Based on closing share price on June 30, 2017
(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**

<table>
<thead>
<tr>
<th>Declaration Date</th>
<th>Record Date</th>
<th>Payment Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>August 8, 2017</td>
<td>September 12, 2017</td>
<td>September 29, 2017</td>
</tr>
<tr>
<td>November 9, 2017</td>
<td>December 12, 2017</td>
<td>December 29, 2017</td>
</tr>
</tbody>
</table>

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

**Key Points**

- Quarterly dividend increased 5% to $0.22 per share ($0.88 annualized); announced May 4, 2017
- Targeted dividend payout ratio remains at 70% - 80% of net income
- Dividend growth supported by continued rate base expansion driven by planned capital investments
- 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)

**Attractive and growing dividend supported by stable, regulated cash flows and planned rate base growth**
Delivering Clean, Sustainable Energy

- 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 four 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

Transmitting and delivering some of the cleanest energy in North America
Why Invest in Hydro One

• 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

• Recently increased $0.88 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

A unique low-risk opportunity to participate in the transformation of a premium, large scale regulated electric utility
## Hydro One Limited – 2Q17 Financial Summary

<table>
<thead>
<tr>
<th>($ millions)</th>
<th>Second Quarter</th>
<th></th>
<th>Year to Date</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>2017</td>
<td>2016</td>
<td>% Change</td>
<td>2017</td>
</tr>
<tr>
<td><strong>Revenue</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission</td>
<td>$361</td>
<td>$381</td>
<td>(5.2%)</td>
<td>$728</td>
</tr>
<tr>
<td><strong>Distribution</strong></td>
<td>998</td>
<td>1,152</td>
<td>(13.4%)</td>
<td>2,277</td>
</tr>
<tr>
<td>Distribution (Net of Purchased Power)</td>
<td>349</td>
<td>349</td>
<td>-</td>
<td>739</td>
</tr>
<tr>
<td>Other</td>
<td>12</td>
<td>13</td>
<td>(7.7%)</td>
<td>24</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td>1,371</td>
<td>1,546</td>
<td>(11.3%)</td>
<td>3,029</td>
</tr>
<tr>
<td>Consolidated (Net of Purchased Power)</td>
<td>722</td>
<td>743</td>
<td>(2.8%)</td>
<td>1,491</td>
</tr>
<tr>
<td><strong>OM&amp;A Costs</strong></td>
<td>274</td>
<td>262</td>
<td>4.6%</td>
<td>545</td>
</tr>
<tr>
<td><strong>Earnings Before Financing Charges and Income Taxes (EBIT)</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission</td>
<td>159</td>
<td>195</td>
<td>(18.5%)</td>
<td>323</td>
</tr>
<tr>
<td>Distribution</td>
<td>102</td>
<td>108</td>
<td>(5.6%)</td>
<td>255</td>
</tr>
<tr>
<td>Other</td>
<td>(12)</td>
<td>(15)</td>
<td>(20.0%)</td>
<td>(26)</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td>249</td>
<td>288</td>
<td>(13.5%)</td>
<td>552</td>
</tr>
<tr>
<td><strong>Net Income¹</strong></td>
<td>117</td>
<td>152</td>
<td>(23.0%)</td>
<td>284</td>
</tr>
<tr>
<td><strong>Basic EPS</strong></td>
<td>$0.20</td>
<td>$0.26</td>
<td>(23.0%)</td>
<td>$0.48</td>
</tr>
<tr>
<td><strong>Diluted EPS</strong></td>
<td>$0.20</td>
<td>$0.25</td>
<td>(20.0%)</td>
<td>$0.48</td>
</tr>
<tr>
<td><strong>Capital Investments</strong></td>
<td>406</td>
<td>417</td>
<td>(2.6%)</td>
<td>756</td>
</tr>
<tr>
<td><strong>Assets Placed In-Service</strong></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Transmission</td>
<td>165</td>
<td>174</td>
<td>(5.2%)</td>
<td>247</td>
</tr>
<tr>
<td>Distribution</td>
<td>164</td>
<td>186</td>
<td>(11.8%)</td>
<td>310</td>
</tr>
<tr>
<td>Other</td>
<td>8</td>
<td>2</td>
<td>300.0%</td>
<td>8</td>
</tr>
<tr>
<td><strong>Consolidated</strong></td>
<td>337</td>
<td>362</td>
<td>(6.9%)</td>
<td>565</td>
</tr>
</tbody>
</table>

Financial Statements reported under U.S. GAAP

¹ Net Income is attributable to common shareholders and is after non-controlling interest and dividends to preferred shareholders
## Top Transmission Capital Projects Underway

### Development Projects:

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Location</th>
<th>Type</th>
<th>Anticipated In-Service Date</th>
<th>Estimated Cost</th>
<th>Capital Cost To-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Clarington Transmission Station</td>
<td>Oshawa area Southwestern Ontario</td>
<td>New transmission station</td>
<td>2018</td>
<td>$267 million</td>
<td>$210 million</td>
</tr>
<tr>
<td>Supply to Essex County Transmission Reinforcement</td>
<td>Windsor-Essex area Southwestern Ontario</td>
<td>New transmission line and station</td>
<td>2018</td>
<td>$73 million</td>
<td>$35 million</td>
</tr>
<tr>
<td>East-West Tie Station Expansion</td>
<td>Northern Ontario</td>
<td>Station expansion</td>
<td>2021</td>
<td>$157 million</td>
<td>$5 million</td>
</tr>
<tr>
<td>Northwest Bulk Transmission Line</td>
<td>Thunder Bay area Northwestern Ontario</td>
<td>New transmission line</td>
<td>TBD</td>
<td>TBD</td>
<td>TBD</td>
</tr>
</tbody>
</table>

### Sustainment Projects:

<table>
<thead>
<tr>
<th>Project Name</th>
<th>Location</th>
<th>Type</th>
<th>Anticipated In-Service Date</th>
<th>Estimated Cost</th>
<th>Capital Cost To-Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bruce A Transmission Station</td>
<td>Tiverton area Southwestern Ontario</td>
<td>Stations sustainment</td>
<td>2019</td>
<td>$109 million</td>
<td>$95 million</td>
</tr>
<tr>
<td>Richview TS Circuit Breaker Replacement</td>
<td>Toronto area Southwestern Ontario</td>
<td>Stations sustainment</td>
<td>2019</td>
<td>$103 million</td>
<td>$75 million</td>
</tr>
<tr>
<td>Lennox TS Circuit Breaker Replacement</td>
<td>Napanee area Southeastern Ontario</td>
<td>Stations sustainment</td>
<td>2023</td>
<td>$95 million</td>
<td>$33 million</td>
</tr>
<tr>
<td>Beck #2 TS Circuit Breaker Replacement</td>
<td>Niagara area Southwestern Ontario</td>
<td>Stations sustainment</td>
<td>2021</td>
<td>$93 million</td>
<td>$43 million</td>
</tr>
</tbody>
</table>

Largest capital projects underway are in the Transmission segment and are of medium scale.
<table>
<thead>
<tr>
<th>Name</th>
<th>Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>David Denison, O.C., FCPA, FCA</td>
<td>Currently a Director of Royal Bank of Canada (Audit Committee Chair), Bell Canada, Allison Transmission and of Sinai Health Systems (Vice-Chair). Formerly President and CEO of the Canada Pension Plan Investment Board, President of Fidelity Investments Canada Limited and of Bentall Kennedy LP (Board Chair).</td>
</tr>
<tr>
<td>Ian Bourne, ICD.D, FICD</td>
<td>Currently a Director of Ballard Power Systems (Board Chair) and a Director of Canada Pension Plan Investment Board, Canadian Oil Sands Limited, Wajax Corporation, and the Canadian Public Accountability Board. Formerly the Board Chair and interim CEO of SNC-Lavalin Group, Executive Vice President and CFO of TransAlta Corporation and CEO of TransAlta Power LP.</td>
</tr>
<tr>
<td>Charles Brindamour</td>
<td>Currently is Chief Executive Officer of Intact Financial Corporation, which, under his leadership, became an independent and widely-held Canadian company in 2009. Currently a board member of Intact Financial Corporation, of the C.D. Howe Institute and of the Insurance Bureau of Canada, and a member of the Advisory Committee of the Climate Change Adaptation Project, an initiative of the University of Waterloo.</td>
</tr>
<tr>
<td>Marcello (Marc) Caira</td>
<td>Currently a Director of Restaurant Brands International Inc. (Vice-Chairman) and Director of The Minto Group. Formerly President and CEO of Tim Hortons Inc., held extensive senior management and executive roles with Nestlé Canada, Nestlé S.A. and Parmalat North America Inc., including serving as COO of Parmalat Canada Inc. and President and CEO of Parmalat North America.</td>
</tr>
<tr>
<td>Christie Clark, FCA, FCPA</td>
<td>Currently a Director of Loblaw Companies, Air Canada, Choice Properties Real Estate Investment Trust and a member of the Advisory Council of Queen’s University School of Business. Formerly the CEO and Senior Partner of PricewaterhouseCoopers Canada and served as PwC’s National Managing Partner and a member of the firm’s Executive Committee.</td>
</tr>
<tr>
<td>George Cooke</td>
<td>A Director of Hydro One since 2010. Currently a Director of OMERS Administration Corporation (Board Chair) and CANATICS (Board Chair). Formerly President, CEO and Director of The Dominion of Canada General Insurance Company, a Director of the Insurance Bureau of Canada, a Director and Executive Vice President of E-L Financial Corporation Limited, Director of Empire Life Insurance and AECL (Atomic Energy of Canada Limited).</td>
</tr>
<tr>
<td>Margaret (Marianne) Harris</td>
<td>Currently a Director of the Investment Industry Regulatory Organization of Canada (Board Chair) and a Director of Sun Life Financial Inc., Sun Life Assurance Company of Canada and Loblaw Companies Limited. Formerly a Director of Agrium Inc., Managing Director of the Bank of America Merrill Lynch, President of Corporate and Investment Banking for Merrill Lynch Canada Inc. and Group Head RBC Capital Markets.</td>
</tr>
<tr>
<td>Mayo Schmidt</td>
<td>President and CEO of Hydro One Ltd. and a director of Agrium Inc. Previously President, CEO and a director of Vittera Inc., prior to which he held senior executive positions at ConAgra Food, Inc. and General Mills, Inc.</td>
</tr>
<tr>
<td>James Hinds</td>
<td>Currently a Corporate Director and the former Board Chair of the Independent Electricity System Operator and of the Ontario Power Authority (Board Chair). A retired investment banker, he previously served as Managing Director of TD Securities Inc., and also held senior positions with CIBC Wood Gundy Inc. and Newcrest Capital Inc.</td>
</tr>
<tr>
<td>Kathryn J. Jackson, Ph.D.</td>
<td>Currently a Director of Portland General Electric. Formerly Senior Vice President and Chief Technology Officer of RTI International Metals, Director of the Independent System Operator New England (Board Chair), Senior Vice President and Chief Technology Officer of Westinghouse Electric, and Executive Vice President of the Tennessee Valley Authority.</td>
</tr>
<tr>
<td>Roberta Jamieson C.M., I.P.C, LL.B, LL.D (Hon)</td>
<td>Currently the President and CEO of Indspire and a Member of the Elections Canada Advisory Board. Formerly a Director of Ontario Power Generation, elected Chief of the Six Nations of the Grand River Territory and former Ombudsman of Ontario (1989–1999).</td>
</tr>
<tr>
<td>Hon. Frances L. Lankin, P.C., C.M.</td>
<td>Currently a member of the Senate of Canada, a Director of the Ontario Lottery and Gaming Corporation, the Institute of Corporate Directors and of the National NewsMedia Council (Board Chair). Formerly an MPP and Cabinet Minister, Member of the Queen’s Privy Council for Canada and Member of its Security Intelligence Review Committee and President and CEO of the United Way – Toronto.</td>
</tr>
<tr>
<td>Philip S. Orsino, O.C., FCPA, FCA</td>
<td>Currently a Director of the Bank of Montreal (Audit and Conduct Review Committee Chair), a Consultant for Onex Corporation and Director of The Minto Group. Formerly a Director Clairvest Group Inc. (Audit Committee Chair), Biox Corporation (Board Chair), University Health Network (Board Chair), President and CEO Jeld-Wen Inc. and President and CEO of Masonite International Corporation.</td>
</tr>
<tr>
<td>Jane Peverett, FCMA, ICD.D</td>
<td>Currently a Director of the Canadian Imperial Bank of Commerce (Audit Committee Chair), Director Encana Corporation (Audit Committee Chair), AEGIS Insurance Services and Northwest Natural Gas (Portland, Oregon). Formerly a Director of the Canadian Electricity Association, President and CEO of the British Columbia Transmission Corporation and President and CEO of Union Gas.</td>
</tr>
<tr>
<td>Gale Rubenstein</td>
<td>A Director of Hydro One since 2007. Currently a Partner of Goodmans LLP and a member of the firm’s Executive Committee and a Director of the Insolvency Institute of Canada.</td>
</tr>
</tbody>
</table>
DISCLAIMERS
In this presentation, all amounts are in Canadian dollars, unless otherwise indicated. Any graphs, tables or other information in this presentation demonstrating the historical performance of the Company or any other entity contained in this presentation are intended only to illustrate past performance of such entities and are not necessarily indicative of future performance of Hydro One. In this presentation, “Hydro One” refers to Hydro One Limited and its subsidiaries and other investments, taken together as a whole.

Forward-Looking Information
This presentation contains “forward-looking information” within the meaning of applicable Canadian securities laws. 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 project costs; statements related to continued consolidation of the electric utility market; statements related to dividends, including expectations regarding the ability of continued rate base expansion through capital investments to drive growth in dividends; statements regarding future equity issuances; expectations regarding funding for planned capital investments; statements related to rate applications and models; statements regarding rate base and cash flows; and statements regarding productivity improvements.

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” 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 2016 full year MD&A.
For More Information

Investor Relations Website:
http://www.hydroone.com/InvestorRelations/

Investor Relations Contacts:
Omar Javed
Director, Investor Relations
ojaved@hydroone.com
416 345 5943