



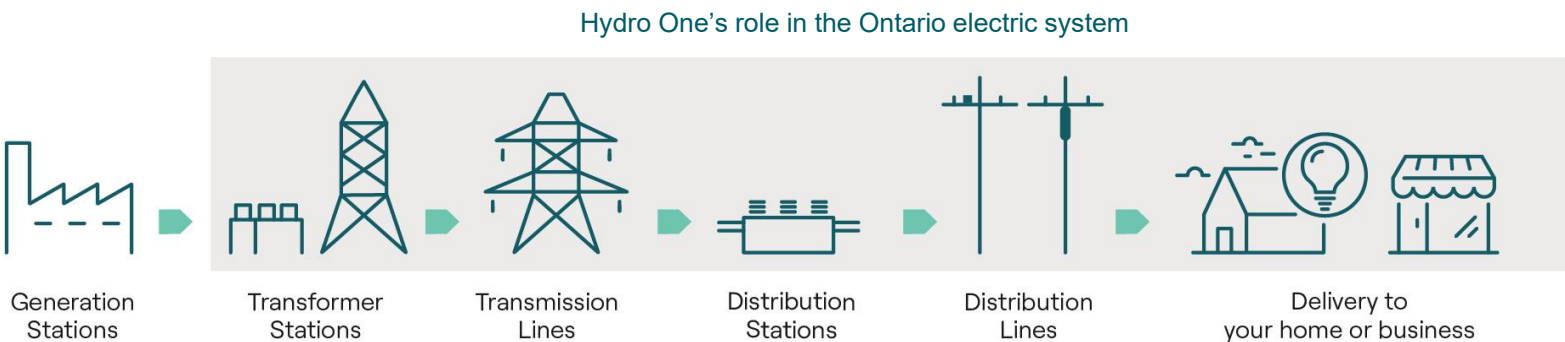
# Investor overview

Post first quarter 2021

# 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.
- One of the strongest investment grade balance sheets in the North American utility sector.
- Unique combination of pure-play electric power transmission and local distribution, with no generation or material exposure to commodity prices.
- Stable and growing cash flows with 99% of business fully rate-regulated in a constructive, transparent and collaborative regulatory environment.
- Predictable self-funding organic growth profile with expanding rate base and strong cash flows, together with broad support for refurbishment of aging infrastructure and with ~5% expected rate base CAGR1. No external equity required to fund planned growth.
- Transparency in our Environmental, Social and Governance (ESG) reporting.
- Increased \$1.0652 annualized dividend with 70% - 80% target payout ratio.
- Opportunity for continued dividend growth with rate base expansion, continued consolidation and efficiency realization.



~5%	Rate base growth
4-7%	EPS growth over 2019-2022
~5%	Average annual dividend growth



# Recent developments

## Organization Priorities

### First Quarter Highlights

- First quarter earnings per share (EPS) and adjusted EPS was \$0.45, compared to EPS and adjusted EPS of \$0.38, for the same period in 2020. The increase was due mainly to approved rates for the transmission and distribution segments, and higher demand because of colder weather, partially offset by higher depreciation, amortization and asset removal costs, and higher work program costs.
- Hydro One launched Connected for Life, a promise that helps customers stay connected to power while it helps them access financial relief and flexible service options. Since launch, the support provided to customers was four times higher than during the previous quarter.
- The Company was requested by the Independent Electricity System Operator (IESO) to build a 230-kilovolt double circuit transmission line between Chatham and Lambton to provide electricity in support of agricultural growth in the Windsor-Essex and Chatham areas.
- The Company received regulatory decision regarding the implementation of the Ontario Divisional Court ruling regarding the deferred tax asset.
- Hydro One Networks Inc. and Capgemini Canada Inc. entered into a new master services agreement for information technology services.
- The Company's capital investments and in-service additions for the quarter were \$527 million and \$157 million, respectively, compared to \$372 million and \$225 million in 2020.
- Quarterly dividend declared at \$0.2663 per share, payable June 30, 2021.



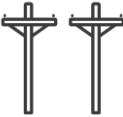
# The value of Hydro One

## ABOUT THE COMPANY

### Transmission & Distribution



~30,000 circuit KMs of transmission lines



Largest Local Distribution Company in Ontario with approximately 1.4 million customers



Combined 2021 Transmission & Distribution Rate Base of \$22.6B<sup>2</sup>  
Market Capitalization of ~\$17.5<sup>1</sup> billion

### Regulated and Privatized Operations

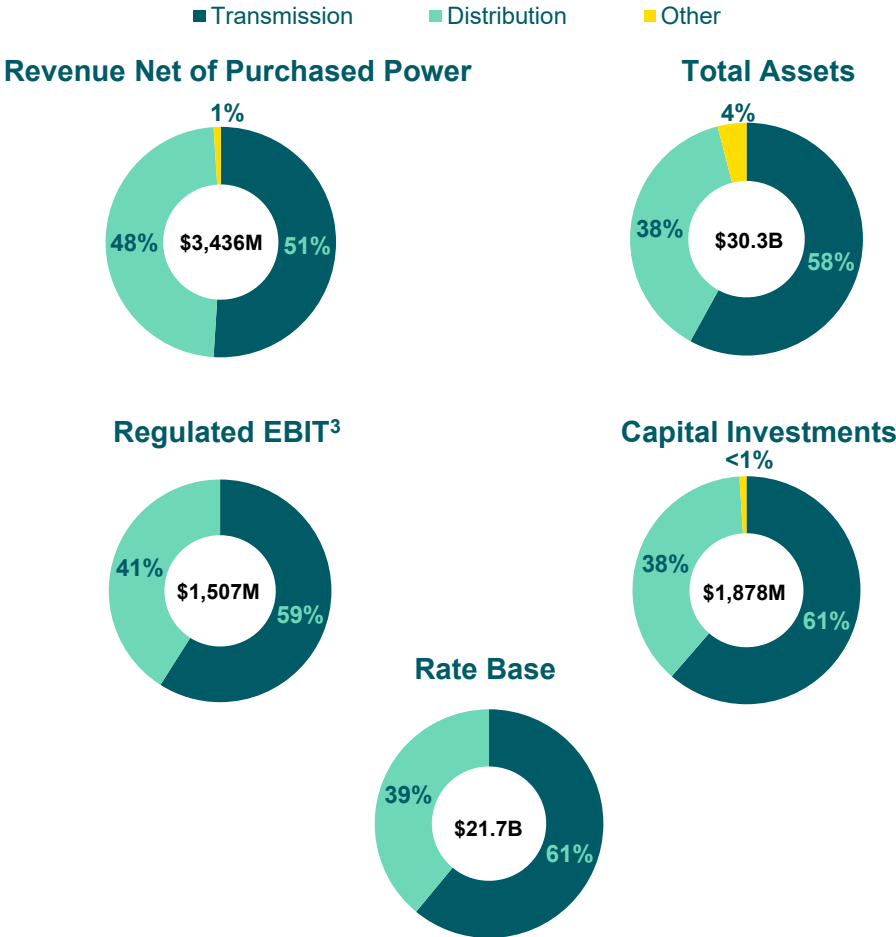


99% of revenue from regulated operations



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

## HOW WE DID IN 2020



## 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%<sup>4</sup> expected rate base CAGR



Attractive 70% - 80% target dividend payout ratio  
Annualized dividend of \$1.0652 per share

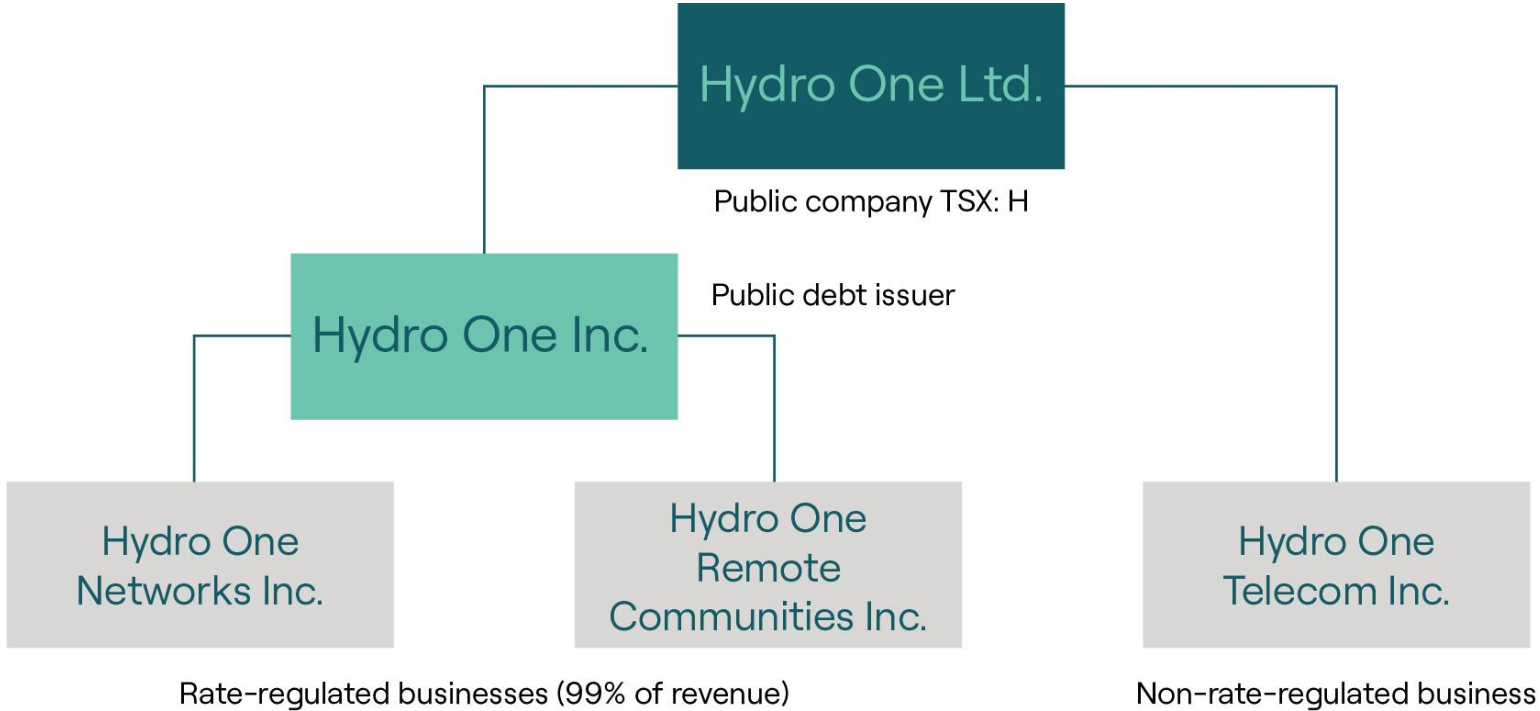


Strong balance sheet with investment grade credit ratings

1) Based on closing share price on March 31<sup>st</sup>, 2021  
2) Company estimates subject to change  
3) Income (loss) before financing charges and income tax expense  
4) Subject to change upon filing of the Joint Transmission and Distribution Rate Application for 2023-2027

# 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



**Jason Fitzsimmons**  
Chief Corporate Affairs  
& Customer Care Officer



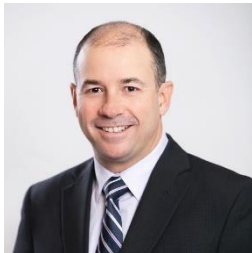
**Lyla Garzouzi**  
Chief Safety Officer



**Paul Harricks**  
Chief Legal Officer



**David Lebeter**  
Chief Operating Officer



**Chris Lopez**  
Chief Financial Officer



**Megan Telford**  
Chief Human  
Resources Officer



# Hydro One's strategy



# Hydro One's strategy

An Ontario focus, and a plan to enhance value

## Strategic priorities

Plan, design, and build a grid for the future



Be the safest and most efficient utility



Be a trusted partner



Advocate for our customers and help them make informed decisions



Innovate and grow the business



## Business outcomes

Improved safety culture where Hydro One employees go home safely every single day

Improved reliability above average performance of Canadian utilities

High satisfaction for Hydro One customers

Sustainable business practices and lower environmental footprint

Enhance Shareholder 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."

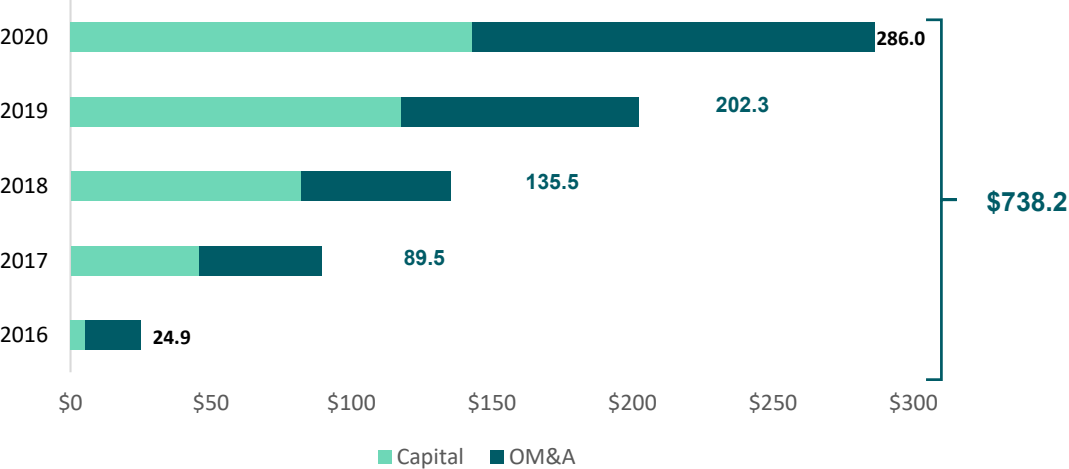
-Mark Poweska, President and Chief Executive Officer





# Achievements and efficiencies

## Paving New Paths in Productivity Savings (\$M)



Generated productivity savings of \$286.0 million in 2020 comprised of \$143.2 million in OM&A and \$142.8 million in capital and totaling approximately three quarters of a billion dollars since 2015



Forestry transformed work execution by streamlining overhead lines and pole inspections – eliminating the cost of the historical line patrol program



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

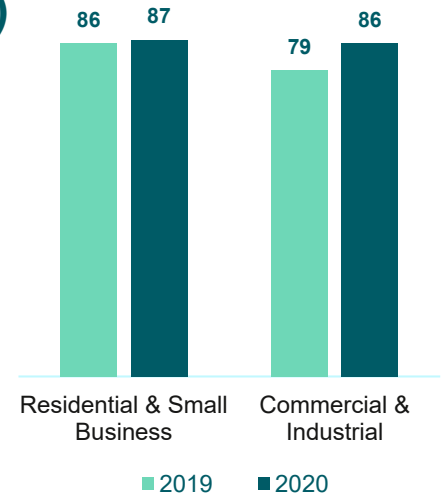


Hydro One leveraged telematics data to identify underutilized fleet equipment leading to fleet optimization

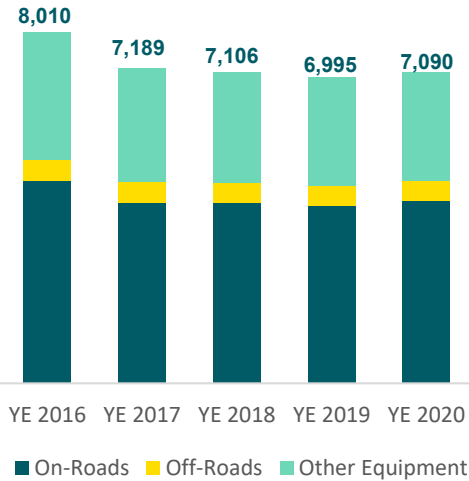


Managed contract cost reduction in IT services. Hydro One leveraged negotiated rate reductions to optimize IT project delivery

## High Customer Satisfaction (%)



## Reduced the Fleet

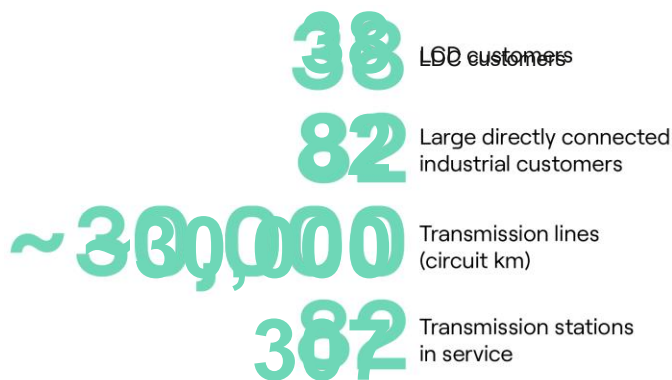


# The regulated business

## Transmission & distribution

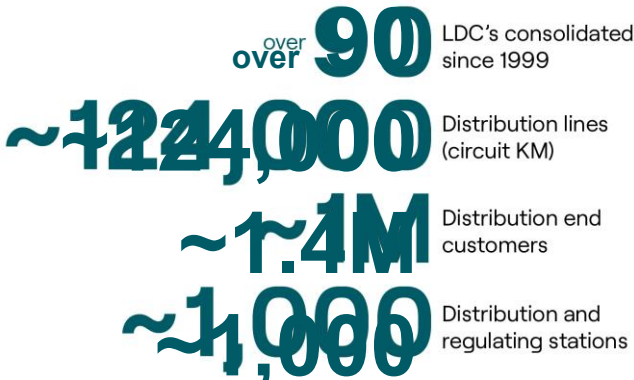
### Transmission

- Hydro One received a decision on 3-year Custom IR application for Transmission from 2020-2022
- Hydro One owns and operates 98% of Ontario's transmission capacity<sup>1</sup>
- Transmission produces reliable cash flow with low volatility under Ontario Energy Board (OEB)
- Growing rate base with planned annual capital investments of ~\$1,200 - ~\$1,400 million over next four years<sup>2</sup>
- Allowed ROE of 8.52% with 40% / 60% deemed equity/debt capital structure through application
- Emerging industries and system requirements helping drive expansion of transmission network



### Distribution

- Distribution is a stable, rate-regulated business operating under OEB Custom IR framework
- Growing rate base with planned annual capital investments of ~\$650 - ~\$760 over next four years<sup>2</sup>
- 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
- Orillia, Peterborough, Haldimand, Woodstock, Norfolk LDC acquisitions



1) Based on revenue approved by the OEB  
2) Subject to change upon filing of the Joint Transmission and Distribution Rate Application for 2023-2027

# Electric local distribution company consolidation

## Orillia Power Distribution Corporation



### Key Points

- The purchase price of \$28 million, including closing adjustments
- In September 2020, Hydro One repaid \$20 million of short-term debt assumed as part of the Orillia Power acquisition
- Serves approximately 14,000 customers located in Simcoe County, and is surrounded by existing Hydro One service territory
- Transaction closed on September 1, 2020

## Peterborough Distribution Inc.



### Key Points

- Hydro One acquired the business and distribution assets of Peterborough Distribution Inc. (PDI)
- \$104 million purchase price, including the assumption of agreed upon liabilities and closing adjustments
- Approximately 37,000 customers in Peterborough, Lakefield and Norwood
- Separate agreement with the City of Peterborough to construct an operations centre and fleet maintenance facility within the city
- Transaction closed on August 1, 2020



# Growth opportunities for the telecom business focus on value-added services

## Managed & professional telecommunications services

Outsourced consultative and operative processes and functions that simplify operations and reduce expenses by leveraging the knowledge and resources of industry experts

- Telecommunications Consulting and Digital Transformation Journey Mapping
- Legacy and Hybrid Technology Integration
- Network Engineering

## Cloud services

Outsourced platforms, applications and storage pools.

- Secure SD-WAN
- Backup-as-a-Service (BaaS)
- Infrastructure-as-a-Service (IaaS)
- Managed Security Services and Unified Communications

## Telecommunications operations services

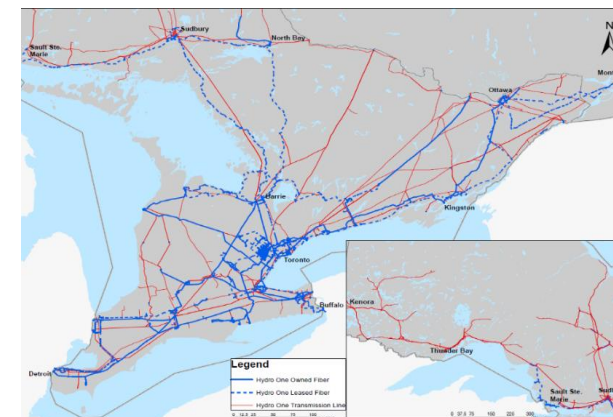
Outsourced operational services that leverage highly specific expertise, resources and manpower to simplify operations and reduce operating expenses

- Network Operations-as-a-Service (NOS)
- Field Operations-as-a-Service (FOS)
- Equipment Spares Management and Network Planning

## Core broadband services

Network connectivity and access in order to improve the efficiency and security of Client data telecommunications

- High Performance Network Broadband Connectivity
- Internet Transit
- Data Centre access
- Microwave Tower space leasing



## 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. \$53B (2020) – Enterprise and Wholesale segments represent nearly \$22B of the addressable market with Ontario 43% of the national total

# Sustainability at Hydro One

At Hydro One, we are committed to operating safely in an environmentally and socially responsible manner and to partnering with our customers and community stakeholders to build a brighter future for all.

## Approach to sustainability

As a transmission and distribution company, we are focused on three priority areas where we believe we can make the greatest impact.



We are focusing on the impact of climate change on our business and on how we can reduce our environmental footprint



strengthening our Indigenous and community partnerships in order to build socio-economic capacity across the province, and



diversifying our talent across our workforce.



# Sustainability at Hydro One

At Hydro One, we are committed to operating safely in an environmentally and socially responsible manner and to partnering with our customers and community stakeholders to build a brighter future for all.

## A Matrix of 10 Material Issues Identified<sup>1</sup>

A matrix of Hydro One's key sustainability issues



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





# Sustainability at Hydro One

At Hydro One, we are committed to operating safely in an environmentally and socially responsible manner and to partnering with our customers and community stakeholders to build a brighter future for all.

## A Sustainable Future for All

- 50% Board of Directors are women (Independent Non-Executive)
- In 2020 ~\$1.9 billion in capital investments to expand electricity grid and renew and modernize existing infrastructure
- Recognized by the Canadian Electricity Association for leadership in providing Indigenous procurement opportunities
- ~\$42 million total procurement spending with Indigenous businesses – our highest ever spend in 2020
- Almost 90% customer satisfaction with our Indigenous customers in 2019
- ~\$2.8 million in sponsorships and donations in communities where we live and work in 2019
- Designated as a Sustainable Electricity Company by the Canadian Electricity Association
- Recognized as one of the Best 50 Corporate Citizens in Canada by Corporate Knights in 2020



# Delivering clean and sustainable energy

Transmitting and delivering some of the cleanest energy in North America

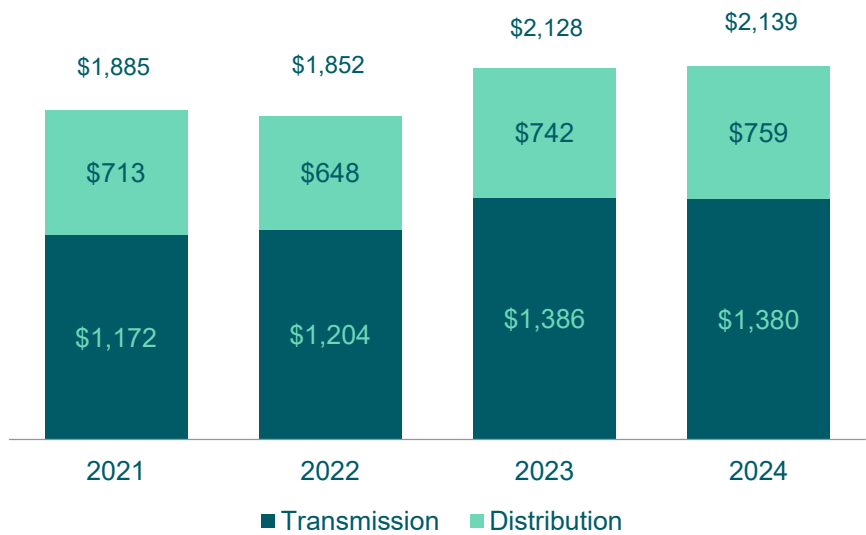
- Ontario was the first North American jurisdiction to fully eliminate coal electricity generation and leads Canada in wind and solar capacity
- Recent five year Ontario Climate Change Action Plan will further accelerate province's leadership in reduction of greenhouse gas emissions
- Received our sustainable electricity company brand re-designation from the Canadian Electricity Association based on ISO 2600
- Ontario electricity now generated by: nuclear 58%, hydro 24%, natural gas 6%, wind 8%, solar 2%, other 2%
- 96% of the energy Hydro One transmits and distributes comes from zero-carbon emitting sources
- Hydro One recognized as one of the Best 50 Corporate Citizens in Canada by Corporate Knights in 2020
- Environmental stewards of thousands of kilometers of transmission grid corridor lands, including management of vegetation for habitat preservation, and protection of habitats and species at risk
- ISO 14001 Compatible Environmental Management System to identify and proactively manage environmental risks for continual improvement
- Mailed out approximately 1.5 million fewer paper bills



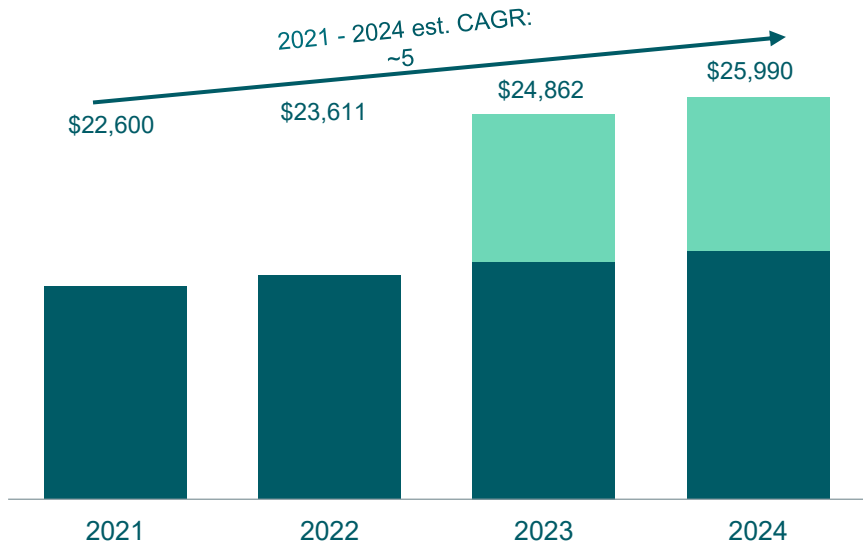
# Capital investment driving rate base growth

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

Projected Regulated Capital Investments\* (\$M)



Projected Rate Base Growth\*



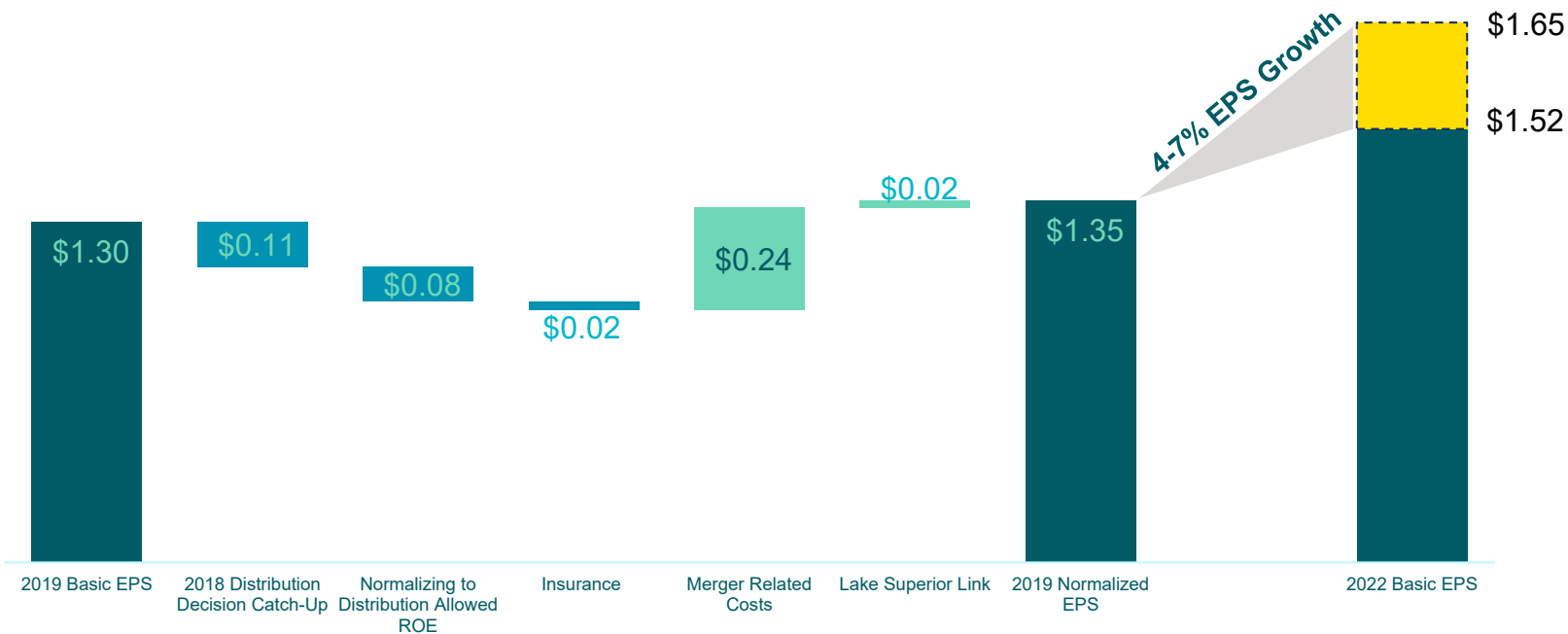
\* Company estimates include amounts from 2018-2022 Approved Distribution Rate Order and 2020-2022 Approved Transmission Rate Order. Subject to change upon filing of Joint Transmission and Distribution Rate Application for 2023 -2027.

## 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 expectation of regulatory recovery
- Equity issuance not anticipated for planned capital investment program which is self-funded



# Affirmed 2022 guidance



• Company estimates subject to change and include amounts from 2018-2022 Approved Distribution Rate Order, and 2020-2022 Approved Transmission Rate Order.  
• The forward-looking information in this presentation is based on a variety of factors and assumptions, as described in the 2020 Year End and 2020 Fourth Quarter financial statements and management's discussion and analysis. Actual results may differ materially from those predicted by such forward-looking information.



# Capital investment driving rate base growth

## Leamington Area Transmission Reinforcement



Estimated Total Project Cost: \$525 million

Capital Cost To Date: \$82 million

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.

## Ontario Grid Control Centre



Estimated Capital Investment: \$85 million (2021)

Anticipated In-Service Date: 2021

The Ontario Grid Control Centre, 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: \$118 million

Capital Cost To Date: \$116 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



# Hydro One responds to COVID-19

## How our customers are being supported

We announced a Pandemic Relief Fund to assist customers affected by the COVID-19 pandemic and offer financial assistance as well as increased payment flexibility to customers.

Announced a Small Business Pandemic Relief Program to connect struggling businesses with up to \$3,000 in financial assistance and government relief.

Launched Connected for Life: a promise to help customers stay connected

Started a fund to help communities respond to new and urgent challenges presented by COVID-19.

We **returned ~\$5 million** in security deposits, collected from newly connected customers, to **over 4,000 eligible commercial businesses**.

Providing critical aid to First Nation and Métis communities, scholarships for young Indigenous leaders and supporting the Indigenous economy.

We support choice and provide online tools to help customers. We launched a portal to make it easy for customers who want to make the switch to tiered pricing.

We launched a **Free Early Payment program** to support our Indigenous and small & medium sized business suppliers in Ontario.

For more information: [www.HydroOne.com/ReliefFund](http://www.HydroOne.com/ReliefFund)

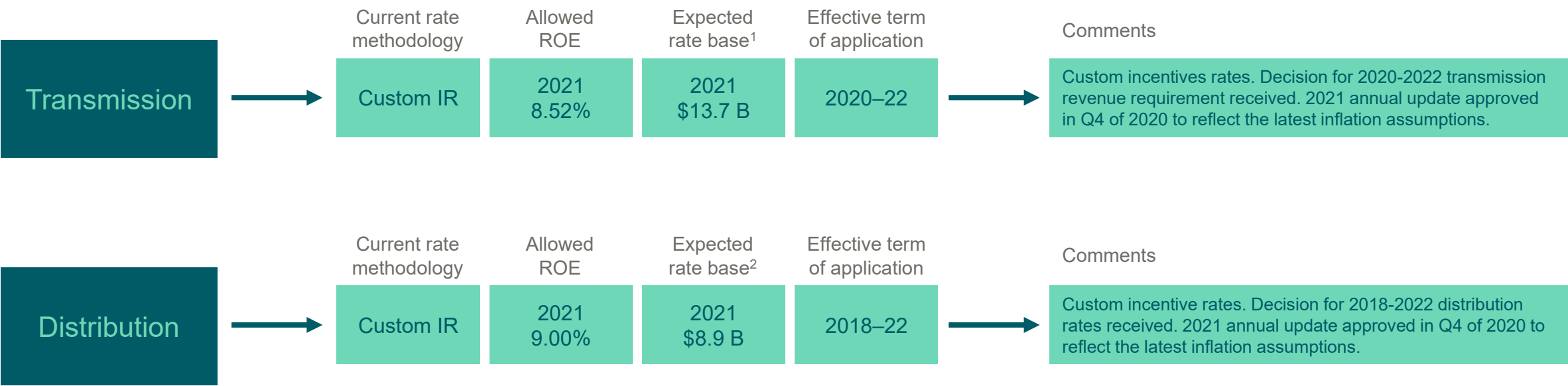




# Constructive rate regulator (OEB)

Consistent, independent regulator with a transparent rate-setting process

- Transmission and Distribution businesses rate-regulated by the Ontario Energy Board (OEB)
- Deemed debt / equity ratio of 60% / 40% for both transmission and distribution segments
- Reduced regulatory lag through forward-looking test years, revenue decoupling and adjustment mechanisms
- Received a decision for distribution rates under the OEB’s Custom Incentive Rate Making model on March 7, 2019 for 2018 – 2022 (5-year term)
- Received a decision on transmission revenue requirement under the OEB’s Custom Incentive Rate Making model on April 23, 2020, for 2020 – 2022 (3-year term)



1. Transmission rate base includes 100% of B2M LP, Niagara Reinforcement Limited Partnership and Hydro One Sault Ste. Marie Limited Partnership.  
2. Distribution Rate Base includes recent LDC acquisitions (Peterborough Distribution Inc., Orillia Power Distribution Corporation) and Hydro One Remote Communities

# 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 OEB Approved 2020-2022			
Rebasing Year	2018					2020			
Revenue Requirement Determined By <sup>1,2,3,4,5</sup>	Custom Revenue Cap Index (RCI) by Component (%)					Custom Revenue Cap Index (RCI) by Component (%)			
	(A) Inflation Adjustment Factor <sup>6</sup>					(A) Inflation Adjustment Factor <sup>6</sup>			
	(B) Less: Productivity Stretch Factor Offset					(B) Less: Productivity Stretch Factor Offset			
	(C) Add: Capital Factor					(C) Add: Capital Factor			
	(D) Equals: Custom Revenue Cap Index Total					(D) Equals: Custom Revenue Cap Index Total			
	2018	2019	2020	2021	2022	2020	2021	2022	
(A)		1.50%	2.00%	2.20%	1.50%	(A)		2.00%	1.80%
(B)	2018 revenue requirement of \$1,459 million	(0.45%)	(0.45%)	(0.45%)	(0.45%)	(B)	2020 revenue requirement of \$1,630 million	(0.30%)	(0.30%)
(C)		1.65%	1.21%	1.95%	1.85%	(C)		2.88%	2.70%
(D)		2.70%	2.76%	3.70%	2.90%	(D)		4.58%	4.20%
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 (2018-2022)					8.52% through test years (2020-2022)			
Effective Rate Setting	May 1, 2018					January 1, 2020			

1. Source: Distribution RCI as filed in Hydro One's Draft Rate Order dated April 2019, as updated in the 2020 Annual Update dated August 2019.

2. Source: Transmission RCI as filed in Hydro One's Draft Rate Order dated May 28, 2020.

3. Source: Distribution RCI for 2020 based on annual update dated November 2019.

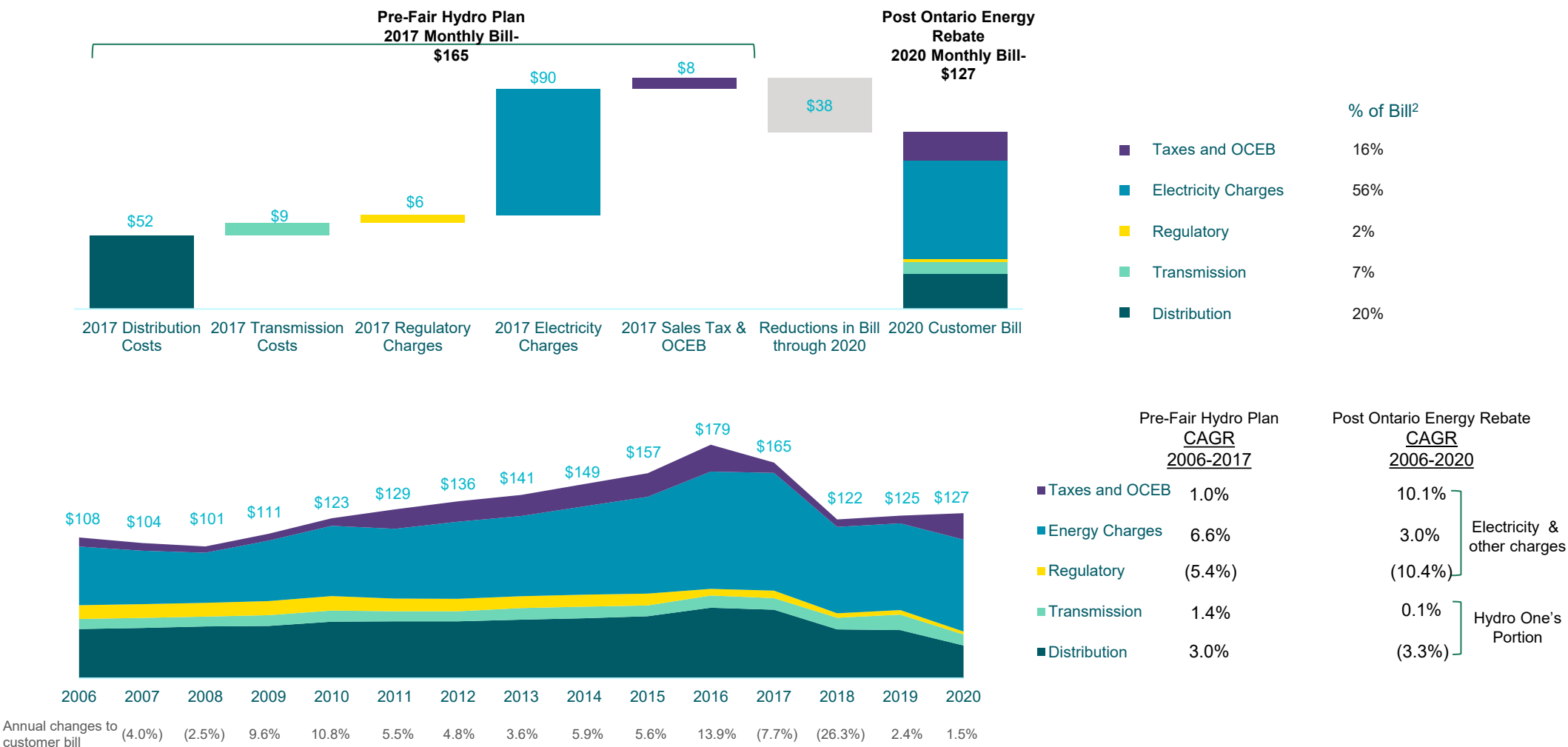
4. Source: Distribution RCI for 2021 based on annual update dated November 2020.

5. Source: Transmission RCI for 2021 based on annual update dated November 2020.

6. Inflation Adjustment Factor is updated annually for Transmission and Distribution.

# Reducing our customer bills

Since 2017, typical Hydro One residential customer bills have decreased on average from \$165 to \$127 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  
2) Bill composition total to more than 100% due to rounding

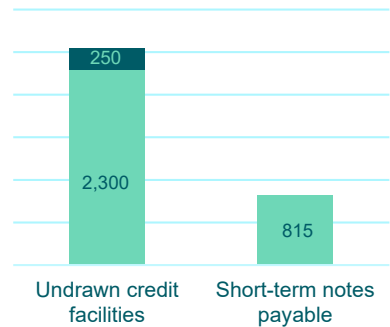


# Strong balance sheet and liquidity

(as at March 31, 2021)

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

## Significant available liquidity (\$M)



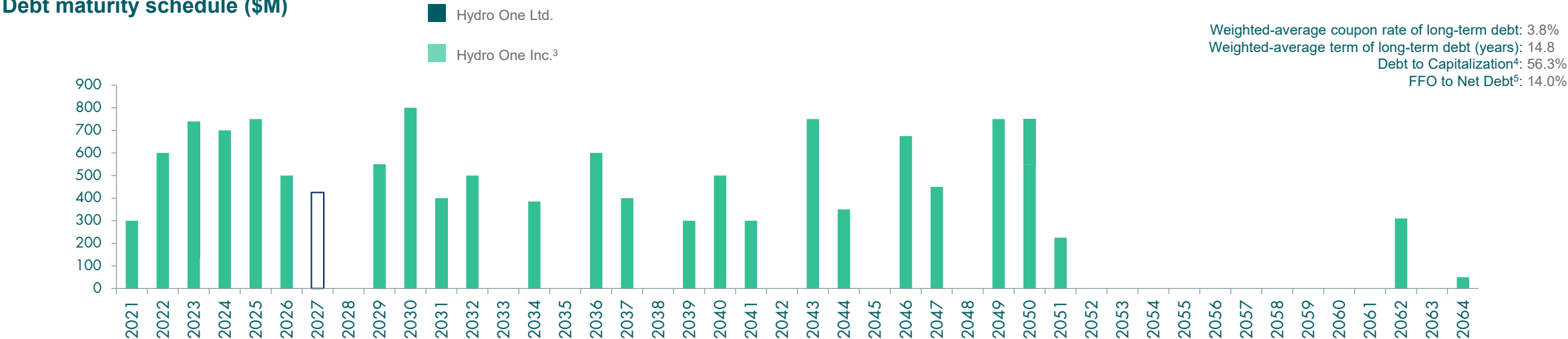
## Strong investment grade debt ratings (long-term/short-term/outlook)

	Hydro One Ltd. (HOL)	Hydro One Inc. (HOI)
S&P	BBB+ / n/a / stable	A- / A-1 (low) / stable
DBRS	A / n/a / stable	A (high) / R-1 (low) / stable
Moody's	n/a	A3 / Prime-2 / stable

## Shelf registrations

HOL Universal shelf <sup>1</sup> \$2.0B
HOI Medium term note shelf <sup>2</sup> \$4.0B

## Debt maturity schedule (\$M)



1. In August 2020, HOL filed a Universal Base Shelf Prospectus with securities regulatory authorities in Canada, which allows it to offer, from time to time in one or more public offerings, up to \$2.0 billion of debt, equity or other securities, or any combination thereof, during the 25-month period ending on September 20, 2022. At March 31, 2021, \$1.575 billion remained available for issuance under the Universal Base Shelf Prospectus.

2. In April 2020, HOI filed a Medium Term Note (MTN) Program prospectus, which has a maximum authorized principal amount of notes issuable of \$4.0 billion until May 2022. At March 31, 2021, \$2.8 billion remained available for issuance under the MTN Program prospectus.

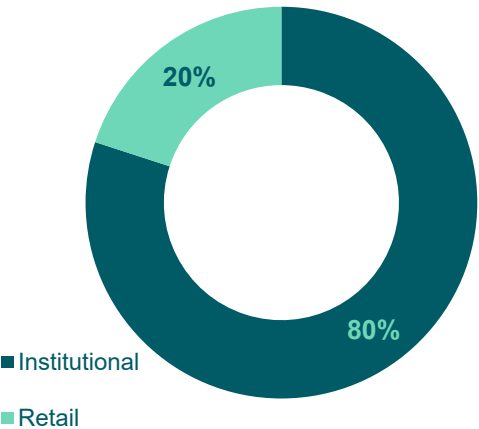
3. Includes long-term debt of Hydro One Sault Ste. Marie LP, a subsidiary of Hydro One Inc., in the principal amount of \$138 million due in 2023.

4. Debt to capitalization ratio is a non-GAAP measure and has been calculated as total debt (including total long-term debt, and short-term borrowings, net of cash and cash equivalents) divided by total debt plus total shareholders' equity, but excluding any amounts related to noncontrolling interest. Management believes that the debt to capitalization ratio is helpful as a measure of the proportion of debt in the Company's capital structure.

5. FFO to Net Debt for the last twelve months ending March 31, 2021.

# Equity market cap overview

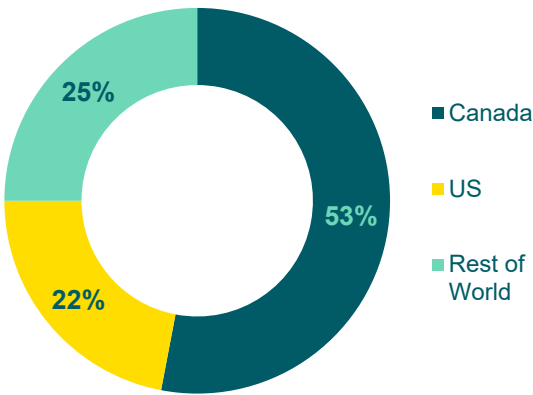
## Approximate Ownership of Public Float



## 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

- ~597.8 million common shares outstanding, listed on Toronto Stock Exchange (TSX: H)
- Equity market capitalization of ~\$17.5 billion<sup>1</sup> and public float of ~\$9.2 billion
- Equity market capitalization amongst the top 60 of all listed Canadian companies

(1) Based on closing share price on March 31st 2021

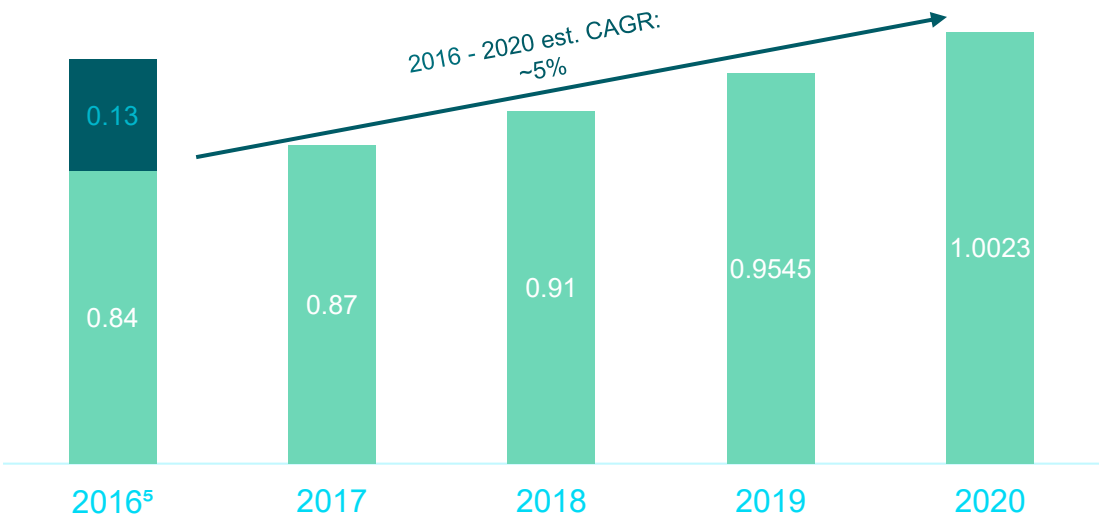
# Common share dividends

## Key Points

- Quarterly dividend declared at \$0.2663 per common share (\$1.0652 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 four year capital investment program
- Non-dilutive dividend reinvestment plan (DRIP) was implemented post IPO (shares purchased on open market, not issued from treasury)

Dividend Statistics	
Yield <sup>1</sup>	3.6%
Annualized Dividend <sup>2 3</sup>	\$1.0652 / share

## A Growing and Sustainable Dividend<sup>4</sup>



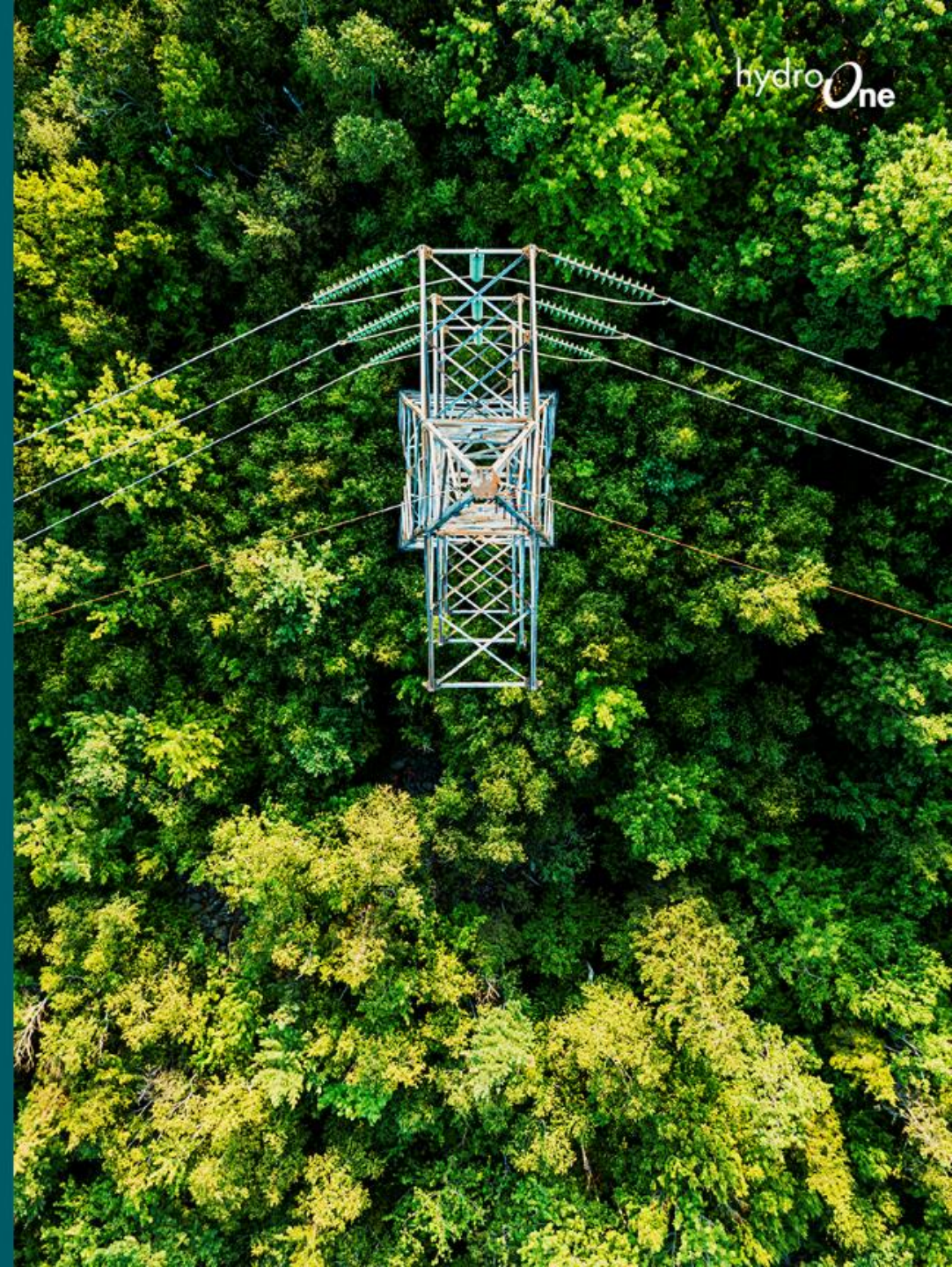
Expected Quarterly Dividend Dates<sup>3</sup>

Declaration date	Record date	Payment date
May 6, 2021	June 9, 2021	June 30, 2021
August 9, 2021	September 8, 2021	September 30, 2021
November 8, 2021	December 8, 2021	December 31, 2021

1. Based on closing share price on March 31st, 2021  
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.  
4. Denotes annual cash dividends paid  
5. The first common share dividend declared by Hydro One Ltd. following the November 5, 2015 initial public offering of its common stock included 13 cents for the post IPO fourth quarter period of November 5 through December 31 2015.



# Appendix





# 1Q21 Financial summary

## First Quarter

## Year End

(millions of dollars, except EPS)	2021	2020	% Change	2020	2019	% Change
<b>Revenue</b>						
Transmission	448	400	12.0%	1,740	1,652	5.3%
Distribution	1,354	1,439	(5.9%)	5,507	4,788	15.0%
Distribution (Net of Purchased Power)	460	432	6.5%	1,653	1,677	(1.4%)
Other	9	11	(18.2%)	43	40	7.5%
Consolidated	1,811	1,850	(2.1%)	7,290	6,480	12.5%
Consolidated (Net of Purchased Power)	917	843	8.8%	3,436	3,369	2.0%
OM&A Costs	282	265	6.4%	1,070	1,181	(9.4%)
<b>Earnings before financing charges and income taxes (EBIT)</b>						
Transmission	229	186	23.1%	890	835	6.6%
Distribution	193	186	3.8%	617	658	(6.2%)
Other	(10)	(6)	(66.7%)	(25)	(183)	86.3%
Consolidated	412	366	12.6%	1,482	1,310	13.1%
Net income <sup>1</sup>	268	225	19.1%	1,770	778	127.5%
Adjusted net income <sup>1 2</sup>	268	225	19.1%	903	918	(1.6%)
Basic EPS	\$0.45	\$0.38	18.4%	\$2.96	\$1.30	127.7%
Basic adjusted EPS <sup>1</sup>	\$0.45	\$0.38	18.4%	\$1.51	\$1.54	(1.9%)
Capital investments	527	372	41.7%	1,878	1,667	12.7%
<b>Assets placed in-service</b>						
Transmission	48	129	(62.8%)	948	1,082	(12.4%)
Distribution	106	95	11.6%	684	602	13.6%
Other	3	1	200.0%	7	19	(63.2%)
<b>Total assets placed in-service</b>	<b>157</b>	<b>225</b>	<b>(30.2%)</b>	<b>1,639</b>	<b>1,703</b>	<b>(3.8%)</b>

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 terminated Avista Corporation acquisition or impacts related to the Ontario Divisional Court decision



# Top transmission capital projects underway

Development Project Name	Location	Type	Anticipated In-Service Date	Estimated Cost	Capital Cost To-Date
Wataynikaneyap Power LP Line Connection	Pickle Lake Northwestern Ontario	New stations and transmission connection	2022	\$28 million	\$10 million
East-West Tie Station Expansion	Northern Ontario	New transmission connection and station expansion	2022 <sup>1</sup>	\$160 million	\$140 million
Waasigan Transmission Line	Thunder Bay-Atikokan-Dryden Northwestern Ontario	New transmission line	2024 <sup>2</sup>	\$68 million <sup>2</sup>	\$8 million
Leamington Area Transmission Reinforcement <sup>3,4</sup>	Leamington Southwestern Ontario	New transmission line and stations	2026 <sup>3,4</sup>	\$525 million <sup>3,4</sup>	\$82 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	\$118 million	\$116 million
Bruce A Transmission Station	Tiverton Southwestern Ontario	Station sustainment	2021	\$146 million	\$144 million
Beck #2 Transmission Station Circuit Breaker Replacement	Niagara area Southwestern Ontario	Station sustainment	2023	\$136 million	\$92 million
Bruce B Switching Station Circuit Breaker Replacement	Tiverton Southwestern Ontario	Station sustainment	2024	\$146 million	\$79 million
Lennox Transmission Station Circuit Breaker Replacement	Napanee Southeastern Ontario	Station sustainment	2026	\$152 million	\$94 million
Middleport Transmission Station Circuit Breaker Replacement	Middleport Southwestern Ontario	Station sustainment	2025	\$123 million	\$78 million

1. The East-West Tie Station Expansion project is impacted by the construction schedule of the new East-West Tie transmission line being built by Upper Canada Transmission Inc., operating as NextBridge Infrastructure, LP (NextBridge). In September 2020, NextBridge advised the OEB of a delay in the in-service date of the East-West Tie transmission line to March 31, 2022. As a result of this delay, the majority of the East-West Tie Station Expansion project, enabling the connection and energization of the new East-West Tie transmission line, is now expected to be placed in-service in 2022.
2. The estimated cost of the Waasigan Transmission Line relates to the development phase of the project and the anticipated in-service date reflects the anticipated completion date of the development phase.
3. The Leamington Area Transmission Reinforcement project consists of the construction of a new double-circuit line between Chatham and Lakeshore and associated transmission stations and connections. The project is currently in the development stage and as such the estimated cost is subject to change. The anticipated in-service dates for the line and stations are between 2022 and 2026.
4. On March 29, 2021, The Independent Electricity System Operator (IESO) requested Hydro One initiate work to develop and construct a new transmission line between Chatham and Lambton to support agricultural growth in Southwest Ontario; Hydro One is currently evaluating the scope and timing of this work.



# 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



# Independent board of directors

## **Timothy Hodgson, MBA, FCPA, ICD.D**

Corporate Director, Chair of Hydro One Ltd, Chair of Sagicor Financial Company Limited, Director Public Sector Pension Investment Board (PSP Investments), Former Director Alignvest Acquisition II Corporation, retired Managing Partner Alignvest Management Corporation, Former Special Advisor to Bank of Canada Governor Mark Carney, Former CEO Goldman Sachs Canada

## **Cherie Brant, JD**

Partner, Borden Ladner Gervais LLP, Director Anishnawbe Health Foundation, Member Canadian Council for Aboriginal Business, Aboriginal Education Council for Centennial College, Aboriginal Energy Working Group-IESO

## **Blair Cowper-Smith, LLM, ICD.D**

Principal and founder Erin Park Business Solutions, Former Chief Corporate Affairs Officer OMERS

## **David Hay, LLB, ICD.D**

Managing Director Delgatie Incorporated, Former CEO New Brunswick Power Corporation, Former Vice-Chair and Managing Director of CIBC World Markets Inc., Director EPCOR, Council Member of the Council for Clean and Reliable Energy

## **Jessica McDonald, ICD.D**

Corporate Director, Former Chair Canada Post Corporation, Former President & CEO BC Hydro & Power Authority, Director Coeur Mining Inc., Former Chair Trevali Mining Corporation, Member Council of Sustainable Development Technology Canada and Greater Vancouver Board of Trade

## **Stacey Mowbray, MBA, BBA**

Corporate Director, Former President North America WW International (formerly Weight Watchers), Director Currency Exchange International, Director Sleep Country Canadian Holdings Inc., Director Bonnie O Holdings, Volunteer on the Operating Board of Trillium Health Partners

## **Russel Robertson, FCPA, FCA, ICD.D**

Corporate Director, Former EVP and Head, Anti-Money Laundering, BMO Financial Group, Former Vice-Chair, Deloitte & Touche LLP, Director Bausch Health Companies Inc., Director Turquoise Hill Resources

## **William Sheffield, BSC, MBA, ICD.D**

Corporate Director, Former CEO Sappi Fine Papers, Director Houston Wire & Cable Company, Director Velan Inc., Former Board Member OPG

## **Melissa Sonberg, BSC, MHA, ICD.D**

Professor in Practice, McGill University, Desautels Faculty of Management, Director Exchange Income Corporation, Director Athenian, Director Group Touchette, Director Canadian Professional Sales Association, Director Women in Capital Markets, Former Senior Vice President, Human Resources & Corporate Affairs and Senior Vice President, Global Brands, Communications and External Affairs at AIMIA

## **Susan Wolburgh Jenah J.D., ICD.D**

Corporate Director, Director Laurentian Bank, Director Aecon Group Inc., and Humber River Hospital. Former Governor of the Financial Industry Regulatory Authority (FINRA), and member of the Independent Review Committee of Vanguard Investments Canada

## **Mark Poweska<sup>1</sup>**

President and CEO of Hydro One Ltd, Former Executive Vice President, Operations at BC Hydro, Chair of Ontario Energy Association, Director Western Energy Institute.

(1) Mark Poweska is an Executive Board Member





# 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.

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This presentation contains “forward-looking information” within the meaning of applicable Canadian securities laws that is based on current expectations, estimates, forecasts and projections about Hydro One's business and the industry in which Hydro One operates and includes beliefs of and assumptions made by management of Hydro One. Such information includes, but is not limited to: statements related to Hydro One's transmission and distribution regulatory applications, related decisions, and expected impacts and timing; expectations regarding regulatory recovery; expectations related to regulatory models; statements regarding Hydro One's projected rate base, cash flows, EPS and growth profile; expectations regarding equity issuances; statements relating to consolidation and efficiency; statements regarding Hydro One's capital investments, and related plans, funding and expectations; statements related to Hydro One's ongoing and planned projects, including anticipated results, costs and timing; expectations about the impact of delays on Hydro One's transmission in-service additions; statements relating to Hydro One's strategy; statements relating to growth opportunities for the telecom business; statements about Hydro One's approach to sustainability; expectations relating to the Ontario Climate Change Action Plan; expectations regarding Hydro One's maturing debt and standby credit facilities; statements related to the Universal Base Shelf Prospectus and the MTN Program prospectus; statements about the debt to capitalization ratio; statements related to dividends and Hydro One Limited's targeted dividend payout ratio of 70-80% of net income; and statements related to credit ratings.

Words such as “aim”, “could”, “would”, “expect”, “anticipate”, “intend”, “attempt”, “may”, “plan”, “will”, “believe”, “seek”, “estimate”, “goal”, “target” and variations of such words and similar expression are intended to identify such forward-looking information. These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. In particular, the forward-looking information contained in this presentation is based on a variety of factors and assumptions including, but not limited to: the scope of the COVID-19 pandemic and duration thereof as well as the effect and severity of corporate and other mitigation measures on Hydro One's operations, supply chain or employees; no unforeseen changes in the legislative and operating framework for Ontario's electricity market or for Hydro One specifically; favourable decisions from the Ontario Energy Board and other regulatory bodies concerning outstanding and future rate and other applications; no unexpected delays in obtaining required approvals; no unforeseen changes in rate orders or rate setting methodologies for Hydro One's distribution and transmission businesses; the continued use and availability of U.S. GAAP; no unfavourable changes in environmental regulation; a stable regulatory environment; no significant changes to Hydro One's current credit ratings; no unforeseen impacts of new accounting pronouncements; no changes to expectations regarding electricity consumption; no unforeseen changes to economic and market conditions; recoverability of costs and expenses related to the COVID-19 pandemic, including the costs of customer defaults resulting from the pandemic; completion of operating and capital projects that have been deferred; and no significant event occurring outside the ordinary course of business. These assumptions are based on information currently available to Hydro One including information obtained by Hydro One from third-party sources. Actual results may differ materially from those predicted by such forward-looking information. While Hydro One does not know what impact any of these differences may have, Hydro One's business, results of operations, financial condition and credit stability may be materially adversely affected if any such differences occur. Factors that could cause actual results or outcomes to differ materially from the results expressed or implied by forward-looking information are discussed in more detail in the sections entitled “Forward-Looking Information” and “Risk Factors” in Hydro One Limited's most recent annual information form, the sections entitled “Risk Management and Risk Factors” and “Forward-Looking Statements and Information” in Hydro One Limited's most recent annual management's discussion and analysis of the financial condition and results of operations and the section entitled “Forward-Looking Statements and Information” in Hydro One Limited's most recent interim management's discussion and analysis of financial condition and results of operation of operations. Hydro One does not intend, and it disclaims any obligation to update any forward-looking information, except as required by law.

In this presentation, Hydro One presents information about future rate base growth and potential future capital investments. The purpose of providing information about future rate base growth and potential future capital investments is provided in order to give context to the nature of some of Hydro One's future plans and may not be appropriate for other purposes. Information about future rate base growth and potential future capital investments, including the various assumptions underlying it, should be read in conjunction with “Forward-Looking Information” above and as may be found in Hydro One's filings with the securities regulatory authorities in Canada, which are available under its profile on SEDAR at [www.sedar.com](http://www.sedar.com). Hydro One does not intend to update the information about future rate base growth or future capital investments except as required by applicable securities laws.

## Non-GAAP Measures

Hydro One prepares and presents its financial statements in accordance with U.S. GAAP. “Funds from Operations” or “FFO”, “Adjusted Net Income”, “Revenue Net of Purchased Power”, “EBIT”, “Debt to Capitalization”, and “Adjusted Earnings Per Share” are not recognized measures under U.S. GAAP and do not have standardized meanings prescribed by U.S. GAAP. These are therefore unlikely to be comparable to similar measures presented by other companies. “Funds from Operations” or “FFO” is defined as net cash from operating activities, adjusted for the following: (i) changes in non-cash balances related to operations, (ii) dividends paid on preferred shares, and (iii) distributions to non-controlling interest. “FFO to Net Debt” is the rolling twelve month FFO divided by Total debt less cash. In addition, certain of these measures are also defined in Hydro One Limited's filings with the securities regulatory authorities in Canada which are available under its profile on SEDAR at [www.sedar.com](http://www.sedar.com). Management believes these measures are useful for evaluating the performance of different aspects of Hydro One's business but may not be appropriate for other purposes.

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