



Third Quarter 2017 Earnings Teleconference

November 10, 2017

One of North America's largest electric utilities

TSX: H



Hydro One Limited – 3Q17 Financial Summary



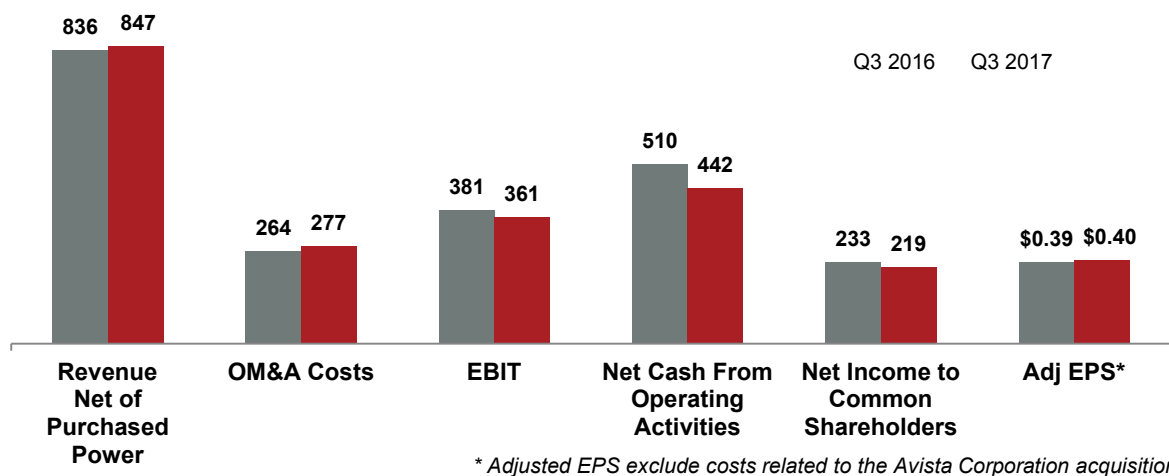
(\$ millions)	Third Quarter			Year to Date		
	2017	2016	% Change	2017	2016	% Change
Revenue						
Transmission	\$471	\$444	6.1%	\$1,199	\$1,211	(1.0%)
<i>Distribution</i>	1,040	1,249	(16.7%)	3,317	3,687	(10.0%)
Distribution (Net of Purchased Power)	365	379	(3.7%)	1,104	1,118	(1.3%)
Other	11	13	(15.4%)	35	40	(12.5%)
<i>Consolidated</i>	1,522	1,706	(10.8%)	4,551	4,938	(7.8%)
Consolidated (Net of Purchased Power)	847	836	1.3%	2,338	2,369	(1.3%)
OM&A Costs	277	264	4.9%	822	782	5.1%
Earnings Before Financing Charges and Income Taxes (EBIT)						
Transmission	271	252	7.5%	594	642	(7.5%)
Distribution	114	126	(9.5%)	369	390	(5.4%)
Other	(24)	3	(900.0%)	(50)	(19)	(163.2)
Consolidated	361	381	(5.2%)	913	1,013	(9.9%)
Net Income¹	219	233	(6.0%)	503	593	(15.2%)
Adjusted Net Income²	237	233	1.7%	524	593	(11.6%)
Basic EPS	\$0.37	\$0.39	(5.1%)	\$0.85	\$1.00	(15.0%)
Adjusted Basic EPS¹	\$0.40	\$0.39	2.6%	\$0.88	\$1.00	(12.0%)
Capital Investments	380	424	(10.4%)	1,136	1,220	(6.9%)
Assets Placed In-Service						
Transmission	120	224	(46.4%)	367	449	(18.3%)
Distribution	172	158	8.9%	482	451	6.9%
Other	2	1	100.0%	10	6	66.7%
Consolidated	294	383	(23.2%)	859	906	(5.2%)

Financial Statements reported under U.S. GAAP

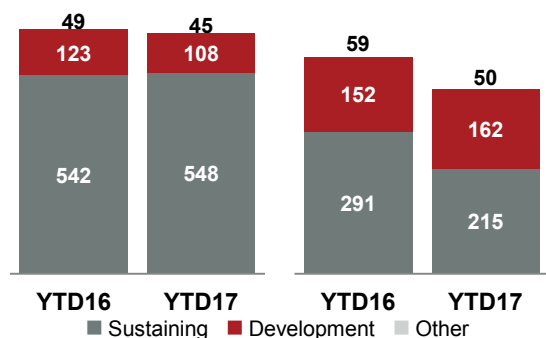
(1) Net Income is attributable to common shareholders and is after non-controlling interest, dividends to preferred shareholders, (2) Adjusted Net Income excludes costs related to the Avista Corporation acquisition

2017 Third Quarter Financial Snapshot

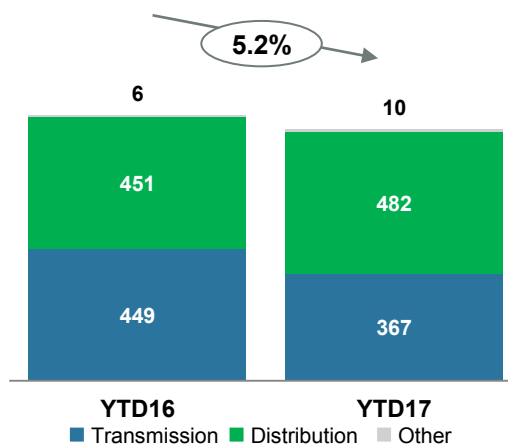
Financial Highlights (\$M) 3Q17 Year over Year Comparison



Regulated Capital Investments (\$M)



Assets Placed in service (\$M)



Key drivers

- Revenue, net of power costs, for 3Q17 increased by 1.3%:
- Revenue variance reflects:
 - higher transmission revenues driven by the OEB's decision on Hydro One Networks Inc.'s 2017-2018 transmission rate filing;
 - Changes in 2017 allowed regulated ROE from 9.19% to 8.78%; and
 - Mild weather which negatively affected energy consumption and lower Ontario peak demand.
- YoY comparability of operating costs in 3Q17 impacted by:
 - One-time costs related to the acquisition of Avista in the other segment;
 - higher depreciation expense due to an increase in rate base; and
 - increased financing charges.
- Reduced OM&A costs in both transmission and distribution segments with lower volume of vegetation management work
- Distribution assets placed in-service increased by 8.9% driven by work to complete the Outage Response Management System upgrade and increased demand for subdivision connections
- Transmission assets placed in-service decreased due to substantial work in 2016

Improved customer service, innovative operational productivity programs and strategic acquisition demonstrate the company's momentum

2017 – 2018 Transmission Rate Application

- Regulatory approval received on September 28, 2017 with catch-up revenues from Jan 1, 2017
- Decision included reductions in planned capital expenditures, OM&A expenses, and in estimated tax savings from the IPO
- Hydro One filed a Motion to Review and Vary the Decision (Motion) as well as an appeal with the Divisional Court of Ontario (Appeal) seeking:
 - full amount of future tax savings from the Deferred Tax Asset
 - a recovery of \$5 million relating to the Niagara Reinforcement Project
 - recovery of approximately \$1 million related to costs for the Ombudsman’s Office

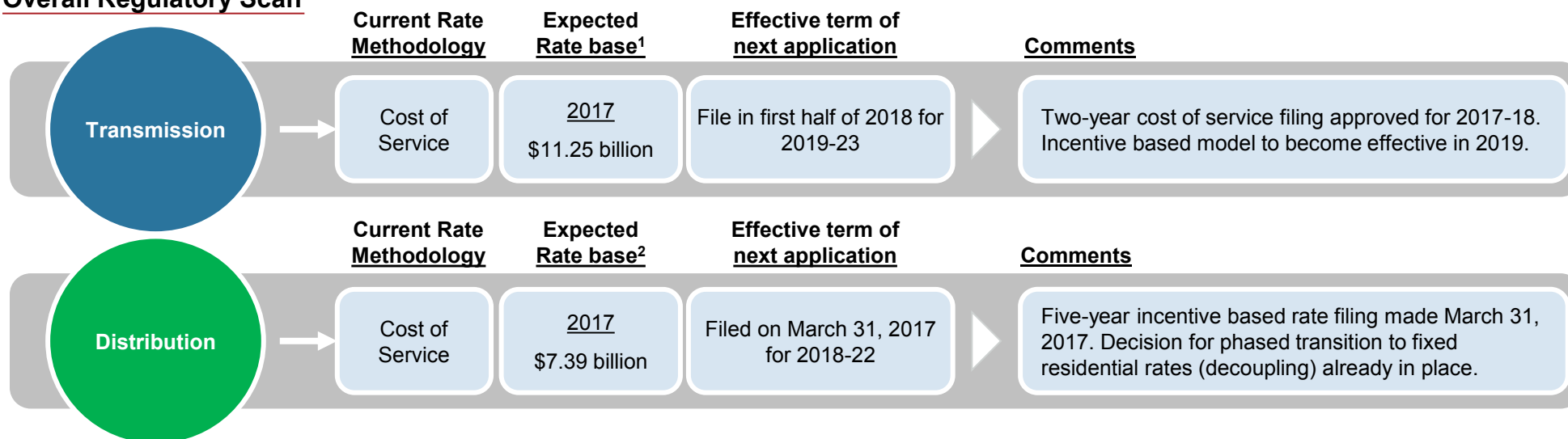
2018 – 2022 Distribution Rate Application

- Decision expected in 2018

Avista Transaction

- Filed joint applications with state utility commissions in Washington, Idaho, Oregon, Montana, and Alaska, as well as with the Federal Energy Regulatory Commission
- Avista Corporation filed the preliminary proxy with the Securities and Exchange Commission related to shareholder approval of the Merger.

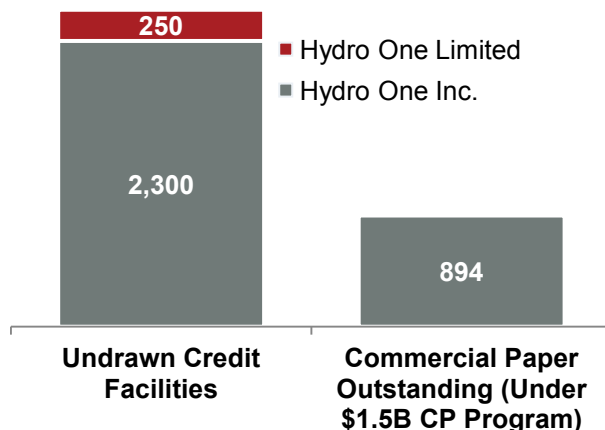
Overall Regulatory Scan



(1) Transmission Rate Base includes 100% of B2M JV rate base and Great Lakes Power. (2) Distribution rate base includes recent acquisitions and Hydro One Remote Communities.

Strong Balance Sheet and Liquidity

Significant Available Liquidity (\$M)



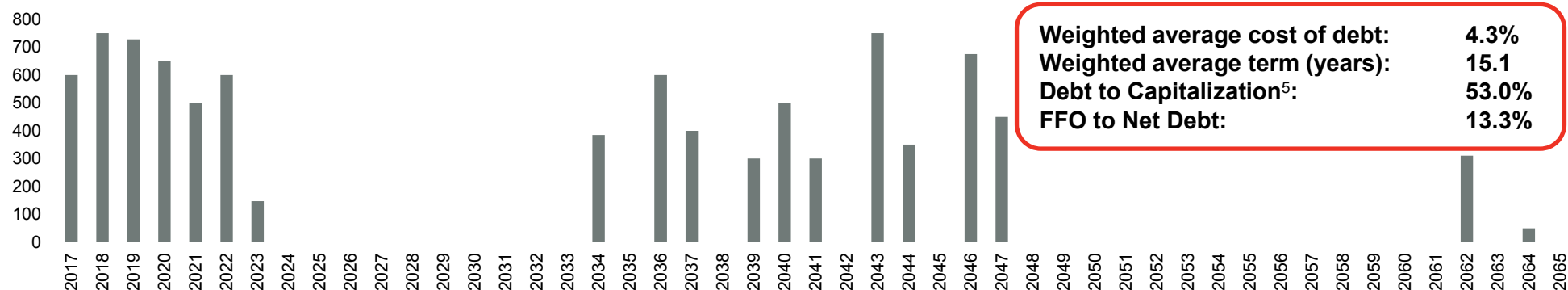
Strong Investment Grade Credit Ratings (LT/ST/Outlook)

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)



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.

Dividend Statistics

Yield ¹	3.9%
Annualized Dividend ^{2,3}	\$0.88 / share

(1) Based on closing share price on September 29, 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

Declaration Date	Record Date	Payment Date
November 9, 2017	December 12, 2017	December 29, 2017

(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**

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. 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: the Company’s transmission and distribution rate applications, including resulting rates, anticipated impacts and expected timing; the Company’s acquisition of Avista, including related plans, pro forma statements, anticipated financing, expected impacts and outcomes; statements related to dividends and anticipated dividend payout ratios, including expectations regarding the ability of continued rate base expansion through capital investments to drive growth in dividends; credit ratings; maturing debt; the Universal Shelf and the Medium Term Note Shelf; and expectations regarding funding for planned capital investments.

Words such as “aim”, “could”, “would”, “expect”, “anticipate”, “intend”, “attempt”, “may”, “plan”, “will”, “believe”, “seek”, “estimate”, “goal”, “target”, and variations of such words and similar expressions are intended to identify such forward-looking information. These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Therefore, actual outcomes and results may differ materially from what is expressed, implied or forecasted in such forward-looking information. Hydro One does not intend, and it disclaims any obligation to update any forward-looking information, except as required by law.

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Non-GAAP Measures

Hydro One prepares and presents its financial statements in accordance with U.S. GAAP. “Funds from Operations” or “FFO” 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.