

The logo for Hydro One, featuring the word "hydro" in black lowercase letters and "One" in red lowercase letters, with a red circle around the "O".

hydro One

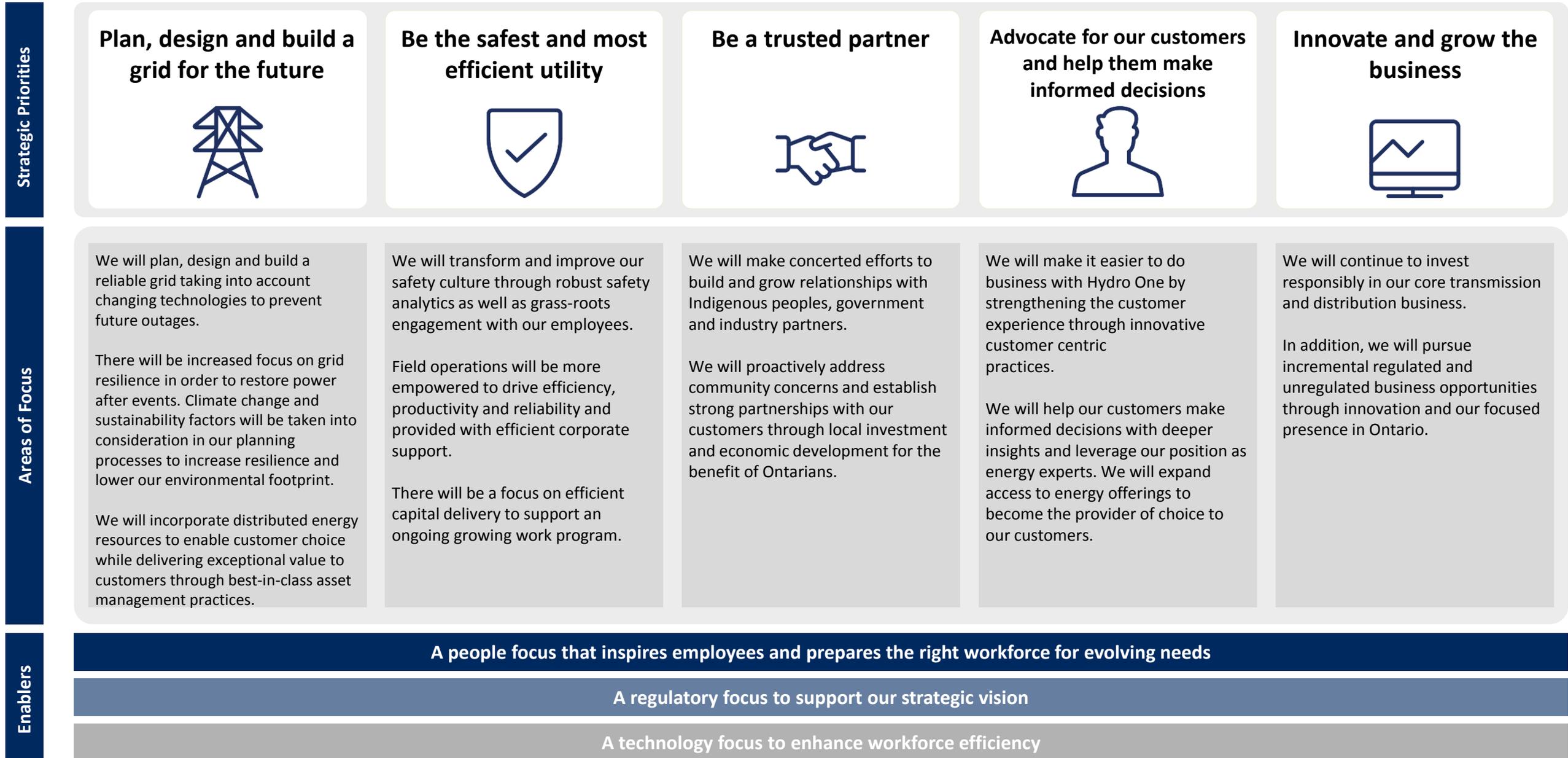
THIRD QUARTER 2019

Earnings Teleconference
November 7th, 2019

One of North America's largest electric utilities

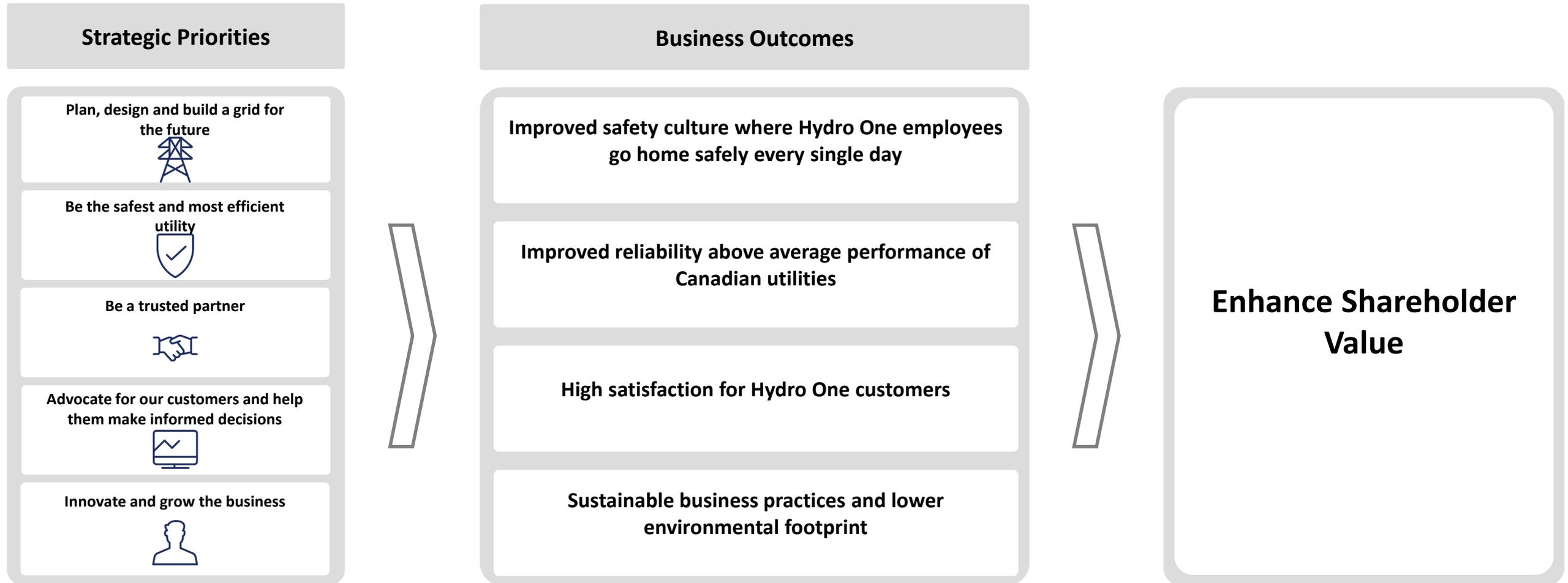
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HYDRO ONE'S NEW STRATEGY



HYDRO ONE'S NEW STRATEGY

An Ontario focus, and plan to enhance value



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

-Mark Poweska, President and Chief Executive Officer

3Q19 FINANCIAL SUMMARY

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

Financial Statements reported under U.S. GAAP

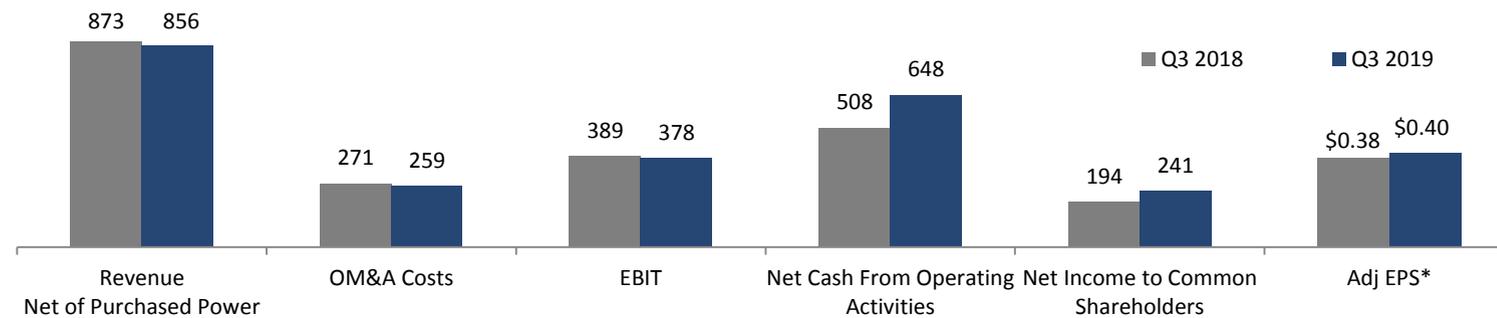
(1) Net Income is attributable to common shareholders and is after non-controlling interest, dividends to preferred shareholders,

(2) Adjusted Net Income excludes items related to the Avista Corporation acquisition and the impact related to the OEB's deferred tax asset decision on HONI's Distribution and Transmission businesses

3Q19 FINANCIAL SUMMARY

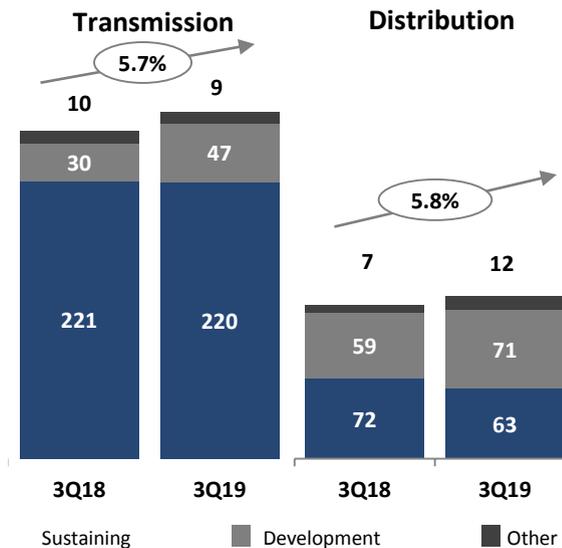
Lower operating costs, partially offset by lower revenue from less favourable weather leads to strong financial quarter

Financial Highlights (\$M) – 3Q19 Year over Year Comparison

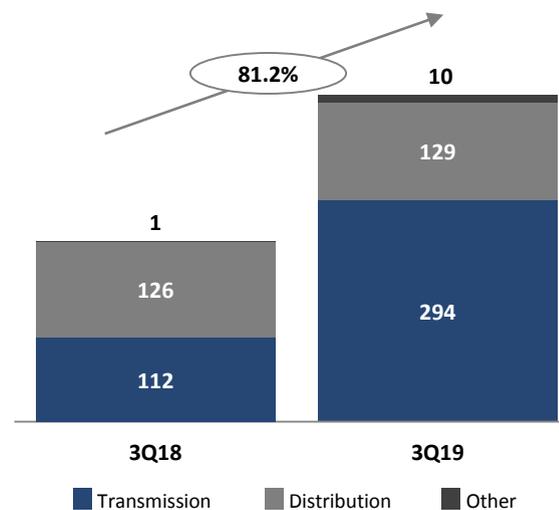


* Adjusted EPS exclude items related to the Avista Corporation acquisition

Regulated Capital Investments (\$M)



Assets Placed in Service (\$M)



Financial Highlights:

Revenues Net of Power decreased 1.9% during the quarter ended September 30th, 2019, primarily due to the following:

- Lower average monthly Ontario 60-minute peak demand driven by less favourable weather in the third quarter of 2019 compared to 2018; and
- Deferred tax asset sharing mandated by the OEB and deferred tax regulatory adjustment related to accelerated tax depreciation (Accelerated CCA) both of which will flow through to customers and are offset in lower taxes, with no impact on regulated return on equity (ROE); partially offset by
- An increase in distribution revenues, net of purchased power, due to the Ontario Energy Board's (OEB) decision on the 2019 distribution rates;

Lower OM&A costs primarily resulting from lower corporate support costs, partially offset by insurance proceeds received last year; .

Lower financing charges primarily resulting from:

- A decrease in charges related to the proposed acquisition of Avista Corporation (Merger); partially offset by
- An increase in interest expense on long-term debt driven by higher weighted-average long-term debt balance outstanding in 2019;

Lower income tax expense primarily attributable to the following:

- Incremental tax deductions from deferred tax asset sharing mandated by the OEB;
- Accelerated CCA resulting from the enactment of certain 2019 federal and Ontario budget measures in the second quarter of 2019, which flows through to customers and offsets lower revenues, with no impact on regulated ROE;
- Changes in income before taxes in 2019, excluding costs related to the Merger, compared to 2018.

REGULATORY UPDATE

2019 Transmission Rate Application

- On April 25, 2019, the OEB issued its decision, awarding an inflationary index of 1.4% and an effective date of May 1, 2019.

2020 - 2022 Transmission Rate Application

- On March 21, 2019, Hydro One filed a 3-year Custom Incentive Rate (CIR) application.
- Oral hearings with the OEB were completed November 4, 2019.

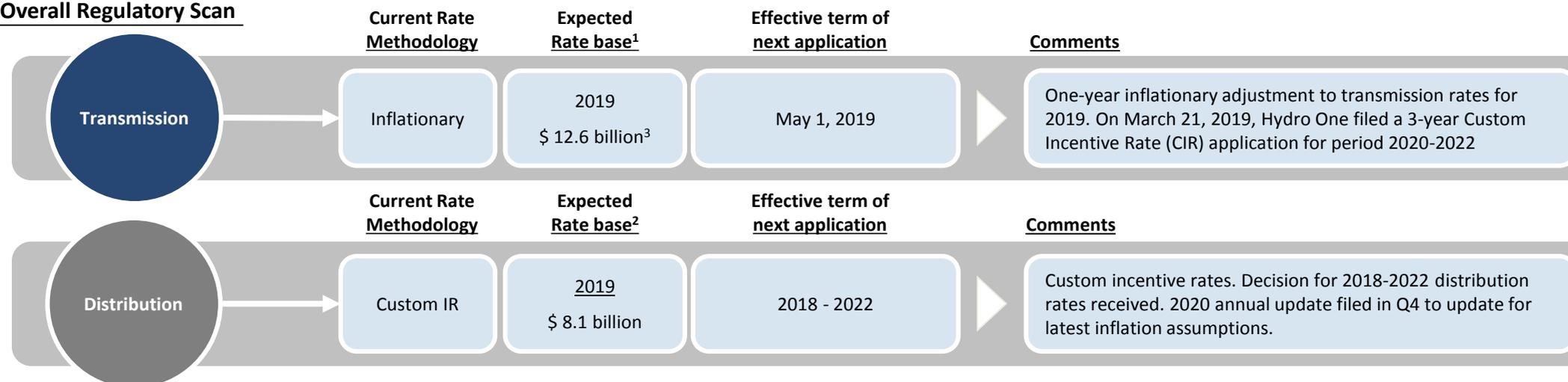
Peterborough and Orillia Applications

- April 26, 2019: Submitted supplemental evidence on rate impacts to customers at the end of the deferred rebasing period.
- June 14, 2019: Filed responses to interrogatories for both applications.
- October 3 and 4, 2019: Technical conference for both applications
- Undertakings responses were filed on October 18, 2019
- November 4, 2019- Parties provided submissions on whether an oral hearing is needed
- Next steps (anticipated):
 - Oral hearing with the OEB on December 2-4, 2019
 - First half 2020 – Decision (for each application)

2018 – 2022 Distribution Rate Application

- On March 7, 2019, the OEB issued its decision, which included reductions to 2018 OM&A (\$32M or ~6%) and 2018-2022 Capital Expenditures (\$300M or ~8%). Rates were awarded effective May 1, 2018 and were implemented July 1, 2019
- Additional capital reductions were made in respect of pension contributions and capital costs to integrate the Acquired Utilities.
- Hydro One filed a Motion to Review and Vary the OEB’s decision as well as an appeal to the Divisional Court (held in abeyance) with respect to reductions to pension contributions on the basis that Hydro One is not legally permitted to take contribution holidays, and as a result, Hydro One should be allowed to recover these legally required pension contributions. A decision is pending.

Overall Regulatory Scan

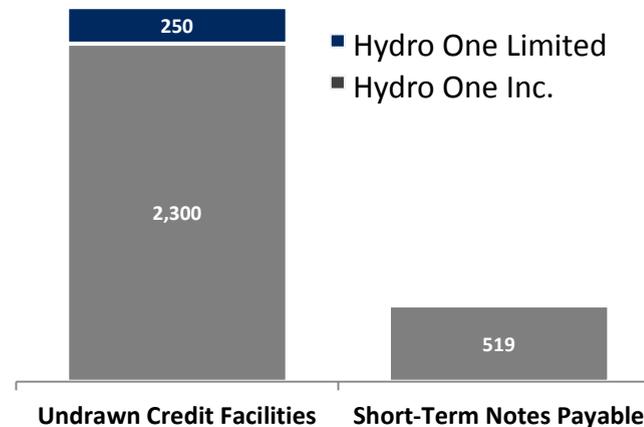


(1) Transmission rate base includes 100% of B2M JV, Niagara Reinforcement Partnership and Hydro One Sault Ste. Marie
 (2) Distribution Rate Base includes recent LDC acquisitions and Hydro One Remote Communities
 (3) Company estimates subject to change and include amounts from March 2019 filed transmission rate application which is subject to OEB approval

STRONG BALANCE SHEET AND LIQUIDITY

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

Significant Available Liquidity (\$M)



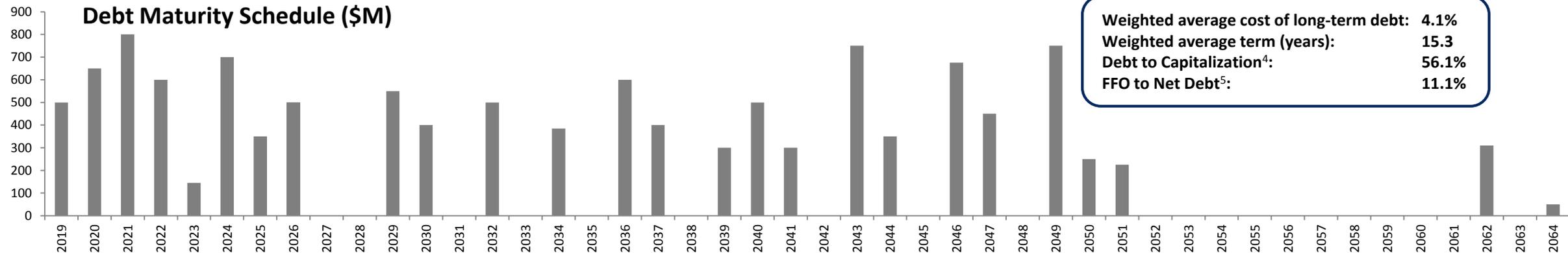
Strong Investment Grade Credit Ratings (LT/ST/Outlook)

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

Shelf Registrations

HOL: Universal Shelf ² : \$4.0B
HOI: Medium Term Note Shelf ³ : \$4.0B

Debt Maturity Schedule (\$M)



Weighted average cost of long-term debt: 4.1%
Weighted average term (years): 15.3
Debt to Capitalization⁴: 56.1%
FFO to Net Debt⁵: 11.1%

(1) On November 8, 2019, S&P affirmed Hydro One Limited's issuer credit rating and Hydro One Inc.'s issuer and issue-level credit ratings and revised its ratings outlook on Hydro One Limited and Hydro One Inc. to stable from negative, based on expectations that Hydro One Limited's operating environment has stabilized and that the company will focus on regulated operations in Ontario, without expansions outside Ontario.

(2) The Universal Base Shelf Prospectus allows Hydro One to offer, from time to time in one or more public offerings, up to \$4.0 billion of debt, equity or other securities, or any combination thereof, during the 25-month period ending on July 18, 2020. At September 30, 2019, no securities have been issued under the Universal Base Shelf Prospectus. Hydro One Limited filed the Universal Base Shelf Prospectus to provide the Company with financing flexibility going forward.

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

(4) Debt to capitalization ratio has been calculated as total net debt (includes total long-term debt and short-term borrowings, net of cash and cash equivalents) divided by total debt plus total shareholders' equity, including preferred shares but excluding any amounts related to noncontrolling interest.

(5) FFO to Net Debt for the last twelve months ending Q3 2019 has not been adjusted for one-time costs related to the termination of the Avista Corporation acquisition.

COMMON SHARE DIVIDENDS

Consecutive annual 5% increase announced on May 9th, 2019

Dividend Statistics	
Yield ¹	3.9%
Annualized Dividend ^{2,3}	\$0.966 / share

Expected Quarterly Dividend Dates³

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

Key Points

- Quarterly dividend declared at \$0.2415 per common share (\$0.966 annualized)
- Targeted dividend payout ratio remains at 70% - 80% of net income
- Attractive and growing dividend supported by stable, regulated cash flows and planned rate base growth
- No equity issuance anticipated to fund planned five year capital investment program
- Non-dilutive dividend reinvestment plan (DRIP) was implemented post IPO (shares purchased on open market, not issued from treasury)

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

(2) Unless indicated otherwise, all common share dividends are designated as "eligible" dividends for the purpose of the Income Tax Act (Canada)

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

DISCLAIMERS

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In this presentation, all amounts are in Canadian dollars, unless otherwise indicated. Any graphs, tables or other information in this presentation demonstrating the historical performance of the Company or any other entity contained in this presentation are intended only to illustrate past performance of such entities and are not necessarily indicative of future performance of Hydro One. In this presentation, “Hydro One” refers to Hydro One Limited and its subsidiaries and other investments, taken together as a whole.

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 about Hydro One’s strategy, areas of focus, and anticipated outcomes; statements related to dividends; statements regarding future equity issuances; statements about the impacts of deferred tax regulatory adjustment related to Accelerated CCA; expectations regarding planned or expected capital investments; statements related to rate applications, proceedings, anticipated regulatory decisions and impacts; statements related to the Universal Shelf and the Medium Term Note Shelf; statements related to credit ratings; statements related to the anticipated regulatory decisions on the Peterborough and Orillia acquisitions; and statements and projections regarding rate base, cash flows, and borrowings.

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”, “Adjusted Net Income”, “Revenue Net of Purchased Power” and “Adjusted Earnings Per Share” are not recognized measures under U.S. GAAP and do not have standardized meanings prescribed by U.S. GAAP. These are therefore unlikely to be comparable to similar measures presented by other companies. Funds from Operations should not be considered in isolation nor as a substitute for analysis of Hydro One’s financial information reported under U.S. GAAP. “Funds from Operations” or “FFO” is defined as net cash from operating activities, adjusted for the following: (i) changes in non-cash balances related to operations, (ii) dividends paid on preferred shares, and (iii) non-controlling interest distributions. Management believes that these measures will be helpful as a supplemental measure of the Company’s operating cash flows and earnings. For more information, see “Non-GAAP Measures” in Hydro One’s 2018 full year MD&A.