First Quarter 2018 Earnings Teleconference

May 15th, 2018

HYDRO ONE LIMITED

1Q18 FINANCIAL SUMMARY

($ millions)	First Quarter 2018	2017	% Change	Full Year 2017	2016	% Change
Revenue						
Transmission	421	367	14.7%	$1,578	$1,584	(0.4%)
Distribution	*1,145*	*1,279*	*(10.5%)*	*4,366*	*4,915*	*(11.2%)*
Distribution (Net of Purchased Power)	394	390	1.0%	1,491	1,488	0.2%
Other	10	12	(16.7%)	46	53	(13.2%)
Consolidated	*1,576*	*1,658*	*(4.9%)*	*5,990*	*6,552*	*(8.6%)*
Consolidated (Net of Purchased Power)	825	769	7.3%	3,115	3,125	(0.3%)
OM&A Costs	270	271	(0.4%)	1,066	1,069	(0.3 %)
Earnings Before Financing Charges and Income Taxes (EBIT)						
Transmission	213	164	29.9%	783	812	(3.6%)
Distribution	157	153	2.6%	508	501	1.4%
Other	(12)	(14)	14.3%	(59)	(35)	(68.6%)
Consolidated	358	303	18.2%	1,232	1,278	(3.6%)
Net Income[1]	222	167	32.9%	658	721	(8.7%)
Adjusted Net Income[1,2]	210	167	25.7%	694	721	(3.7%)
Basic EPS	$0.37	$0.28	32.1%	$1.11	$1.21	(8.3%)
Adjusted Basic EPS[1]	$0.35	$0.28	25.0%	$1.17	$1.21	(3.3%)
Capital Investments	305	350	(12.9%)	1,567	1,697	(7.7%)
Assets Placed In Service						
Transmission	38	82	(53.7%)	889	937	(5.1%)
Distribution	105	146	(28.1%)	689	662	4.1%
Other	2	0	-	14	6	-
Consolidated	145	228	(36.4%)	1,592	1,605	(0.8%)

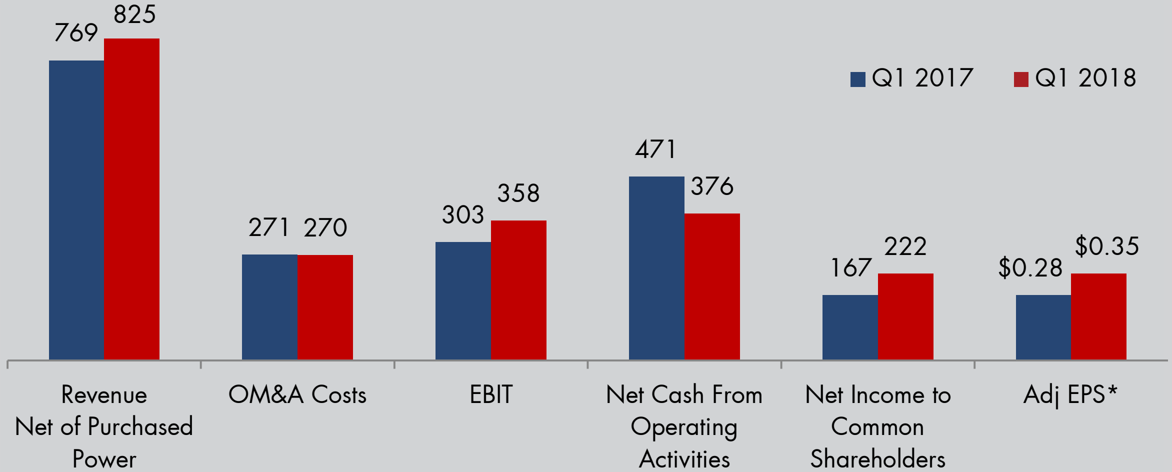
Financial Statements reported under U.S. GAAP

(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

1Q18 FINANCIAL HIGHLIGHTS

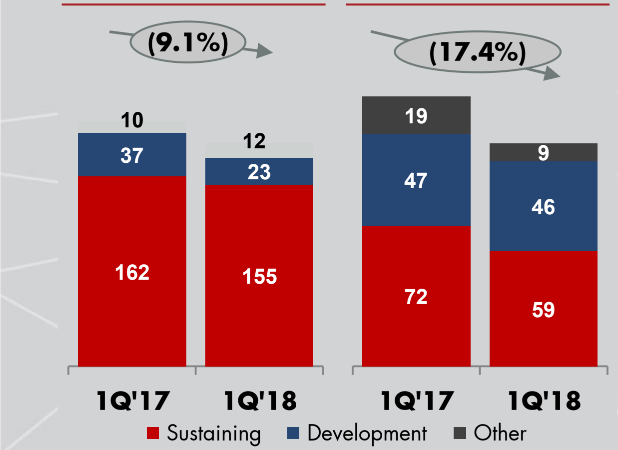
Demonstration of true potential with strong execution, return to seasonal weather, and increased productivity

Financial Highlights ($M) – 1Q18 Year over Year Comparison

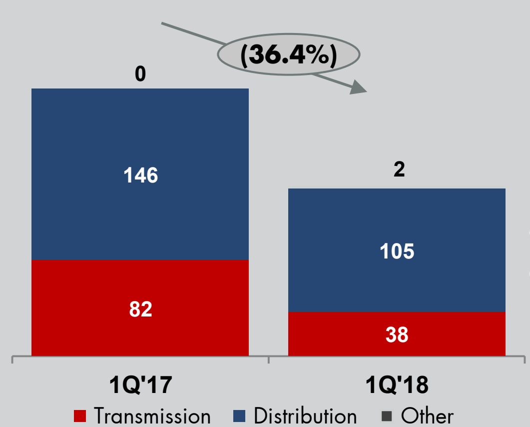


** Adjusted EPS exclude items related to the Avista Corporation acquisition*

Regulated Capital Investments ($M)



Assets Placed in Service ($M)



Financial Highlights:

Revenue for 1Q18, net of purchased power, increased by 7.3%

Revenue increase reflects:

- Higher transmission revenues driven by the OEB's decision on the 2017-2018 transmission rate filing;
- A return to seasonal weather leading to higher energy consumption and higher Ontario peak demand; partially offset by
- Lower distribution deferred regulatory adjustments.

OM&A for 1Q18 decreased by 0.4% reflecting:

- Lower corporate support costs;
- Lower spend on vegetation management as a result of flexing the hiring of temporary trade resources.

YoY comparability of operating costs in 1Q18 impacted by:

- Increase in restoration costs outside of the province which has no impact on net income; and
- One-time items related to the acquisition of Avista in the other segment.

Decreased financing charges resulting from:

- An unrealized gain on foreign exchange forward contract related to the Avista merger; partially offset by
- Increase in interest expense related to the Convertible Debentures.

Assets placed in service in 1Q18 are down 36.4% from last year, mainly driven by comparable project timing in the Transmission segment.

REGULATORY UPDATE

2017 – 2018 Transmission Rate Application

- Regulatory approval received on September 28, 2017, with 2017 rates effective January 1, 2017;
- Decision included reductions in planned capital expenditures, OM&A expenses, and in estimated tax savings from the IPO;
- In October 2017, Hydro One filed a Motion to Review and Vary the Decision (Motion) as well as an appeal with the Divisional Court of Ontario (Appeal). Hydro One's Motion to Review and Vary the Transmission decision is currently under review by the OEB.

2018 – 2022 Distribution Rate Application

- Interrogatory responses were filed with the OEB on February 12th, 2018;
- The oral hearing will commence on June 4, 2018;
- Decision expected in 2018.

Avista Transaction

- Filed joint applications with state utility commissions in Washington, Idaho, Oregon, Montana, and Alaska;
- Approval received from the Federal Energy Regulatory Commission (FERC);
- A settlement agreement was filed with state utility commissions in Washington, Idaho, and Alaska;
- A settlement in principle reached with all parties in Oregon, which will be filed with the Public Utility Commission later this month;
- The US Antitrust Clearance and the US Federal Communication Commission (FCC)'s consent for the proposed merger were received.

Overall Regulatory Scan

	Current Rate Methodology	Expected Rate base[1]	Effective term of next application	Comments
Transmission	Cost of Service	2018 $ 11.87 billion	File in 2018 for 2019-22	Four-year incentive based rate filing expected to be filed later in 2018 for rates effective January 1, 2019.

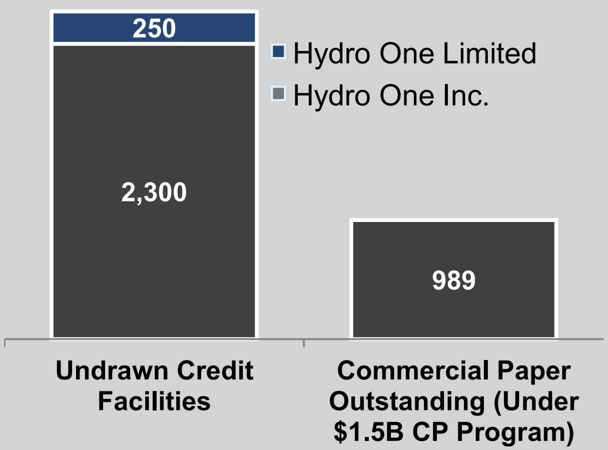
	Current Rate Methodology	Expected Rate base[2]	Effective term of next application	Comments
Distribution	Cost of Service	2018 $ 7.87 billion[3]	Filed on March 31, 2017 for 2018-22	Five-year incentive based rate filing made March 31, 2017. Decision for phased transition to fixed residential rates (decoupling) already in place.

(1) Transmission rate base includes 100% of B2M JV 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 2017 filed distribution 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)

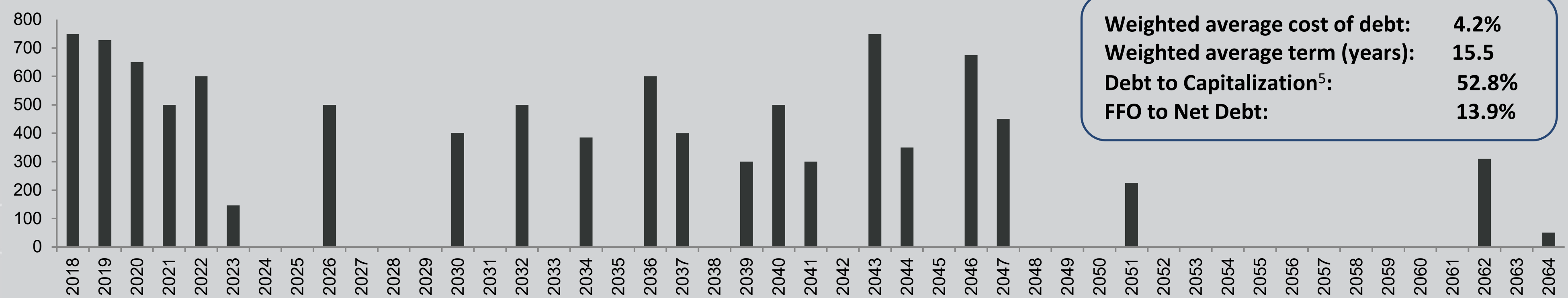
Hydro One Inc. (HOI)	
S&P	A / A-1/ negative[1]
DBRS	A (high) / R-1 (low) / stable
Moody s	A3 / Prime-2 / negative[2]

Shelf Registrations

HOL:
Universal Shelf[3]
$8.0B

HOI:
Medium Term Note Shelf [4]
$4.0B

Debt Maturity Schedule ($M)



Weighted average cost of debt:	4.2%
Weighted average term (years):	15.5
Debt to Capitalization[5]:	52.8%
FFO to Net Debt:	13.9%

(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) The Hydro One Limited Universal Shelf of $8.0 billion filed in March 2016 expired on April 30, 2018. The Company plans to file a new Universal Base Shelf Prospectus in the second quarter of 2018.

(4) The Hydro One Inc. Medium Term Note Base Shelf Prospectus was filed in March 2018. The entire $4.0 billion amount is available for issuance until April 2020.

(5) Debt to capitalization ratio has been calculated as total debt (includes total long-term debt, convertible debentures 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.

COMMON SHARE DIVIDENDS

Consecutive annual 5% increase to dividend announced on May 15th, 2018

Dividend Statistics	
Yield[1]	4.4%
Annualized Dividend[2,3]	$0.92 / share

(1) Based on closing share price on March 29, 2018
(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 Dates[3]

Declaration Date	Record Date	Payment Date
May 14, 2018	June 12, 2018	June 29, 2018
August 13, 2018	September 11, 2018	September 28, 2018
November 5, 2018	December 11, 2018	December 31, 2018

Key Points

- Quarterly dividend increased to $0.23 per share ($0.92 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)

(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 entitles 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 regarding planned securities filings; statements related to dividends; statements regarding future equity issuances; expectations regarding funding for planned capital investments; statements related to rate applications, proceedings and models; and statements regarding rate base and cash flows.

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", "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 2017 full year MD&A.