First Quarter 2020

Earnings Teleconference

May 8th, 2020

One of North America's largest electric utilities

TSX:H

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 and offer **financial assistance as well as increased payment flexibility** to customers.

Hydro One **temporarily suspended late payment fees** for all customers.

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

We extended our Winter Relief program so that **no customers will have their power disconnected** during this difficult time.

The Government of Ontario is providing **immediate electricity rate relief** for families, small businesses and farms paying time-of-use (TOU) rates. We expect the monthly bill of a typical Hydro One residential customer to decrease by **14.6 per cent**.

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

For more information:
Visit us at www.HydroOne.com/ReliefFund

HYDRO ONE LIMITED

1Q20 FINANCIAL SUMMARY

(millions of dollars, except EPS)	First Quarter 2020	First Quarter 2019	% Change	Year End 2019	Year End 2018	% Change
Revenue						
Transmission	$400	$428	(6.5%)	$1,652	$1,686	(2.0%)
Distribution	*1,439*	*1,321*	8.9%	*4,788*	*4,422*	8.3%
Distribution (Net of Purchased Power)	432	514	(16.0%)	1,677	1,523	10.1%
Other	11	10	10.0%	40	42	(4.8%)
Consolidated	*1,850*	*1,759*	5.2%	*6,480*	*6,150*	5.4%
Consolidated (Net of Purchased Power)	$843	$952	(11.4%)	$3,369	$3,251	3.6%
OM&A Costs	265	416	(36.3%)	1,181	1,105	6.9%
Earnings Before Financing Charges and Income Taxes (EBIT)						
Transmission	186	216	(13.9%)	835	842	(0.8%)
Distribution	186	270	(31.1%)	658	526	25.1%
Other	(6)	(162)	(96.3%)	(183)	(59)	-
Consolidated	366	324	13.0%	1,310	1,309	0.1%
Net Income (Loss) [1]	225	171	31.6%	778	(89)	-
Adjusted Net Income (Loss) [1,2]	225	311	(27.7%)	918	807	13.8%
Basic EPS	$0.38	$0.29	31.0%	$1.30	($0.15)	-
Basic Adjusted EPS[1]	$0.38	$0.52	(26.9%)	$1.54	$1.35	14.1%
Capital Investments	372	311	19.6%	1,667	1,575	5.8%
Assets Placed In Service						
Transmission	129	54	138.9%	1,082	1,164	(7.0%)
Distribution	95	88	8.0%	602	642	(6.2%)
Other	1	3	(66.7%)	19	7	-
Consolidated	225	145	55.2%	1,703	1,813	(6.1%)

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,

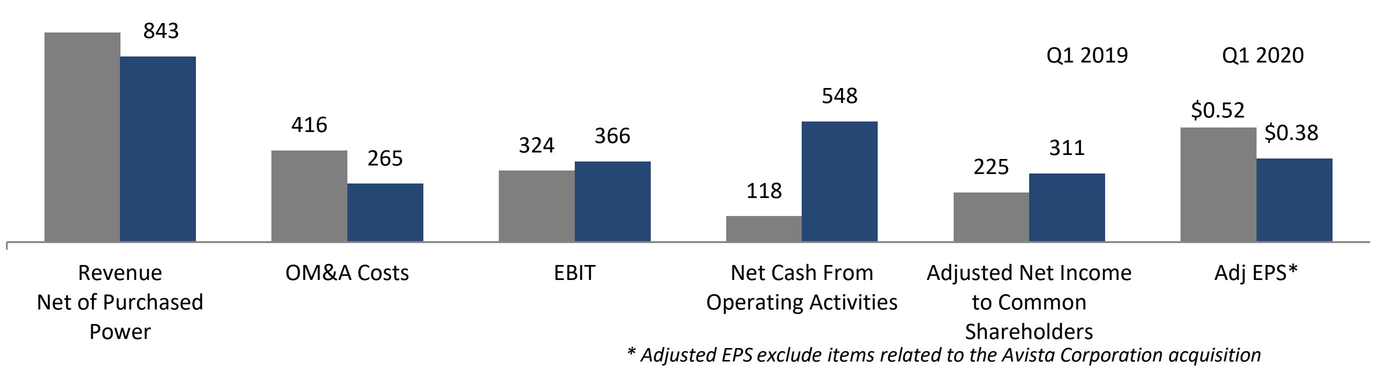
(2) Adjusted Net Income excludes items related to the Avista Corporation acquisition and the impact related to the OEB's deferred tax asset decision on HONI's Distribution and Transmission businesses

HYDRO ONE LIMITED

1Q20 FINANCIAL SUMMARY

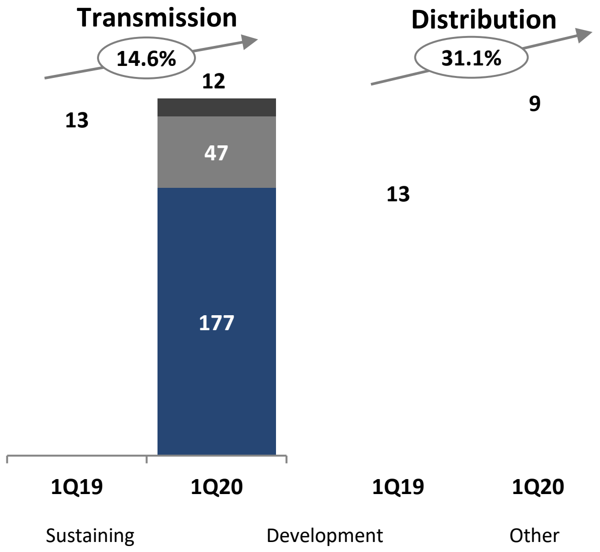
Hydro One’s strong foundation and stable financials enable company to respond to the challenges of COVID-19 while continuing to energize life for Ontarians

Financial Highlights ($M) – 1Q20 Year over Year Comparison

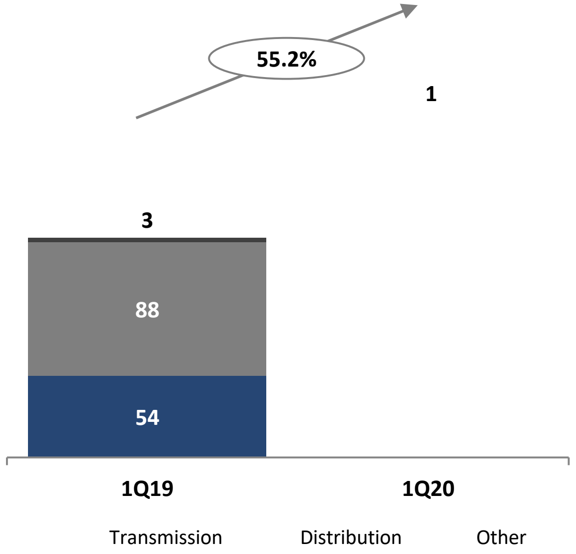


** Adjusted EPS exclude items related to the Avista Corporation acquisition*

Regulated Capital Investments ($M)



Assets Placed in Service ($M)



Selected Financial Highlights:

Revenues Net of Purchased Power decreased by 11.4% during the quarter ended March 31st, 2019, primarily due to the following:

- Lower distribution revenues due to the 2018 catch-up revenues recognized in the first quarter of 2019 following the OEB decision; and;
- Lower average monthly Ontario 60-minute peak demand driven by less favourable weather in the first quarter of 2020;
- Deferred tax regulatory adjustment related to Accelerated CCA, which will flow through to customers and is offset by lower tax expense, with no impact on regulated ROE; partially offset by
- Lower deferred regulatory adjustment related to pension; partially offset by
- Higher distribution revenues due to a higher residential customer count in 2020; and
- Higher revenues resulting from the OEB's decision on the 2020 distribution rates.

The decrease in other OM&A costs for the quarter ended March 31, 2020 was primarily due to the payment of the Merger termination fee and the Lake Superior Link project write-off in the first quarter of 2019, as well as lower corporate support costs in the first quarter of 2020. This was partially offset by higher vegetation management expenditures; and costs associated with temporary stand down of the Company's casual work force and purchase of additional facility related and cleaning supplies as a result of the COVID-19 pandemic.

The decrease of $44 million or 27.0% in financing charges for the quarter ended March 31, 2020 was primarily due to:

- Financing costs related to the Merger incurred in the first quarter of 2019; partially offset by
- Higher interest expense on long-term debt as a result of increased debt levels largely driven by the debt issuances completed in the second quarter of 2019 and first quarter of 2020.

Income tax expense was $15 million for the three months ended March 31, 2020, compared to an income tax recovery of $16 million. The increase in income tax expense for the three months ended March 31, 2020 was primarily attributable to the following:

- Income tax recovery in the prior year associated with Merger-related costs; and
- Incremental tax deductions associated with the deferred tax asset sharing in the first quarter of 2019; partially offset by
- Lower income before taxes, adjusted for costs related to the Merger; and
- Higher net tax deductions primarily related to Accelerated CCA.

REGULATORY UPDATE

2020 - 2022 Transmission Rate Application

- On April 23rd, 2020, the OEB issued its decision, approving a capital envelop of approximately $3.4B over 2020-2022 period, which included reductions to 2020 OM&A ($10.1M or 2.7%) and 2020-2022 Capital Expenditures ($400M or ~10.4%). Rates were awarded effective Jan 1st, 2020 rates to be implemented July 1, 2020.

Peterborough and Orillia Applications

- September 26, 2018: Filed MAAD application to purchase Orillia Power.
- October 12, 2018: Filed MAAD application to purchase Peterborough Distribution.
- January 24, 2020: Submissions closed
- April 30, 2020: Hydro One received regulatory approval for acquisition of Orillia Power Distribution Corporation and Peterborough Distribution Inc.

2018 – 2022 Distribution Rate Application

- On March 7, 2019, the OEB issued its decision, approving a capital envelop of approximately $3.1B over 2018-2022 period 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 [2].
- On March 26, 2019, the Company filed a motion to review and vary the OEB's decision with respect to pension costs and concurrently filed an appeal with the Ontario Divisional Court.
- On December 19, 2019, the OEB affirmed its earlier decision with respect to pension costs.

Overall Regulatory Scan

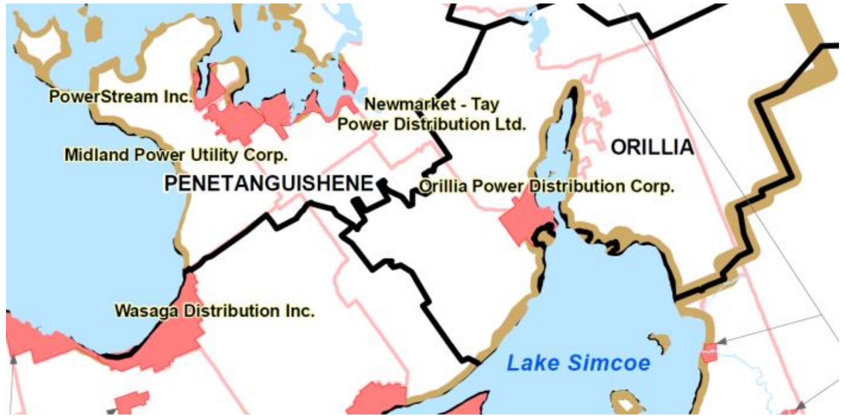
	Current Rate Methodology	Expected Rate base[1]	Effective term of application	Comments
Transmission	Custom IR	2020 $ 13.2 billion	2020-2022	Customer incentive rates. On March 21, 2019, Hydro One filed a 3-year Custom Incentive Rate (CIR) application for the 2020-2022 period. Decision for 2020-2022 transmission revenue requirement received.

	Current Rate Methodology	Expected Rate base[2]	Effective term of application	Comments
Distribution	Custom IR	2020 $ 8.4 billion	2018 – 2022	Custom incentive rates. Decision for 2018-2022 distribution rates received. 2020 annual update approved in Q4 of 2019 to reflect the latest inflation assumptions.

(1) Transmission rate base includes 100% of B2M LP, Niagara Reinforcement Partnership and Hydro One Sault Ste. Marie. Subject to change upon filing of the Transmission Draft Rate Order.
(2) Distribution Rate Base includes recent Local Distribution Company (Acquired Utilities) acquisitions and Hydro One Remote Communities.

ELECTRIC LOCAL DISTRIBUTION COMPANY CONSOLIDATION

Orillia Power Distribution Corporation



Key Points

- $41 million purchase price, including approximately $15 million of assumed debt and regulatory liabilities, subject to closing adjustments
- Serves approximately 14,000 customers located in Simcoe County, and is surrounded by existing Hydro One service territory
- Agreements to build backup grid control center and additional operating facilities following closing
- Closing expected in 2020

Peterborough Distribution Inc.

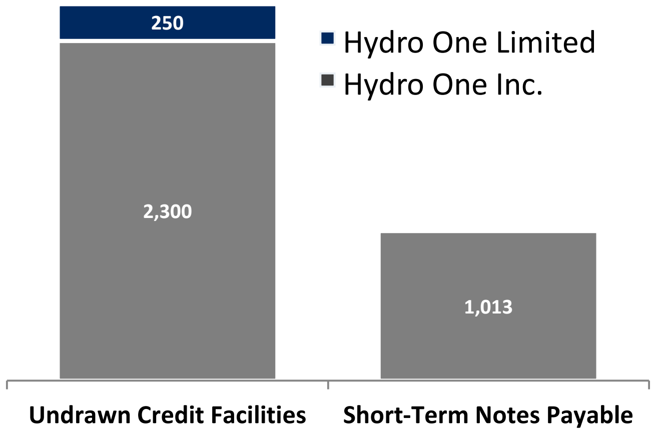
Key Points

- $105 million purchase price
- Hydro One reached a definitive agreement with the City of Peterborough to acquire the business and distribution assets of Peterborough Distribution Inc. (PDI)
- Approximately 37,000 customers in Peterborough, Lakefield and Norwood
- Separate agreement with the City of Peterborough to construct and operations centre and fleet maintenance facility within the city.
- Closing expected in 2020

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)

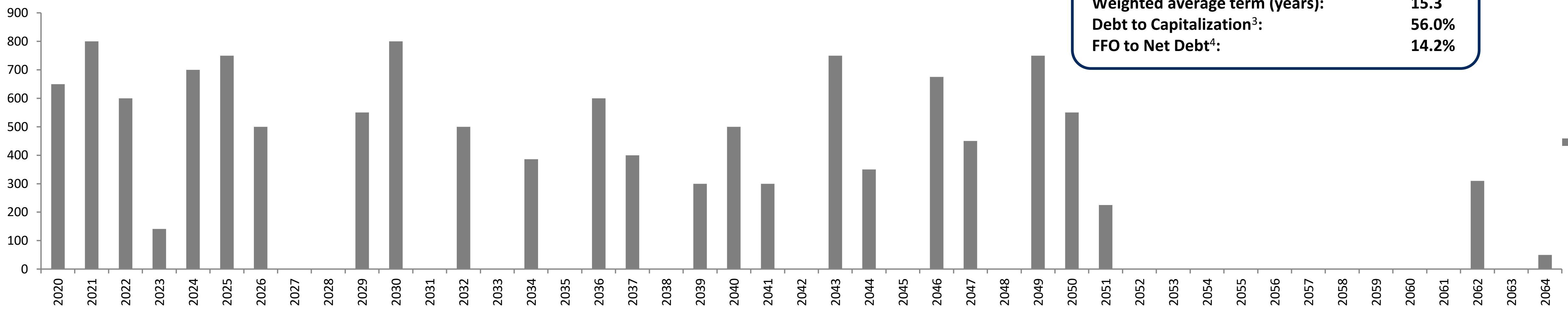
Hydro One Inc. (HOI)	
S&P	A- / A-1 (low) / stable
DBRS	A (high) / R-1 (low) / stable
Moody s	A3 / Prime-2 / stable

Shelf Registrations

HOL:
Universal Shelf[1]: $4.0B

HOI:
Medium Term Note Shelf[2]:
$4.0B

Debt Maturity Schedule ($M)



Weighted average cost of long-term debt:	4.0%
Weighted average term (years):	15.3
Debt to Capitalization[3]:	56.0%
FFO to Net Debt[4]:	14.2%

(1) 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 March 31, 2020, 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.

(2) A new Medium Term Note Program prospectus was filed in April 2020, which has a maximum authorized principal amount of notes issuable of $4.0 billion until May 2022.

(3) 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.

(4) FFO to Net Debt for the last twelve months ending Q1 2020

COMMON SHARE DIVIDENDS

Quarterly dividend declared at $0.2536 per common share

Dividend Statistics	
Yield[1]	4.0%
Annualized Dividend[2,3]	$1.0144 / share

Expected Quarterly Dividend Dates[3]

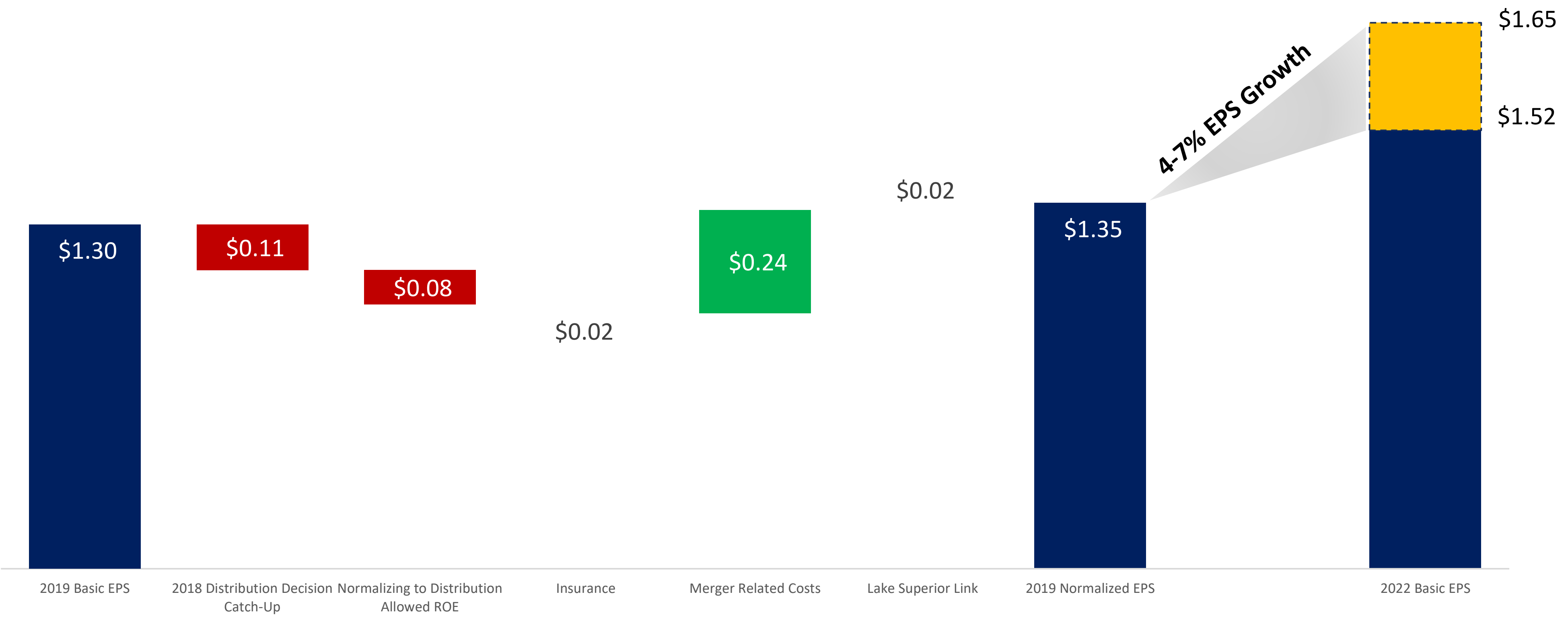
Declaration Date	Record Date	Payment Date
May 7, 2020	June 10, 2020	June 30, 2020
August 10, 2020	September 9, 2020	September 30, 2020
November 5, 2020	December 9, 2020	December 31, 2020

Key Points

- Quarterly dividend declared at $0.2536 per common share ($1.0144 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 March 31st, 2020
(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.

AFFIRMED 2022 GUIDANCE



- *Company estimates subject to change and include amounts from 2018-2022 Approved Distribution Rate Order, 2019 Transmission inflationary filing, and 2020-2022 Transmission filing. Subject to change upon filing of Transmission Draft Rate Order.*
- *The forward-looking information in this presentation is based on a variety of factors and assumptions, as described in the 2019 Year End and 2020 First Quarter financial statements and management's discussion and analysis. Actual results may differ materially from those predicted by such forward-looking information.*

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 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.

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 dividends; statements regarding future equity issuances; expectations regarding planned or expected capital investments; statements related to rate applications, regulatory decisions, impacts and timing; statements related to the Universal Shelf and the Medium Term Note Shelf, including financing flexibility; statements related to credit ratings; 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 2019 full year MD&A.