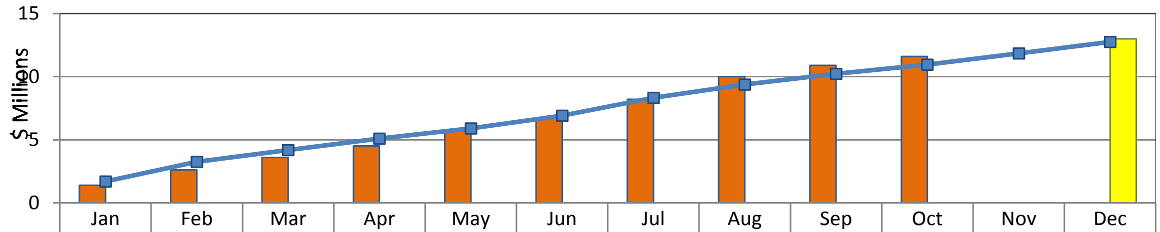
HYDRO ONE BRAMPTON NETWORKS INC.

Preliminary Financial Results & Performance Analysis
Prepared Under IFRS
For the ten months ended October 31th, 2016

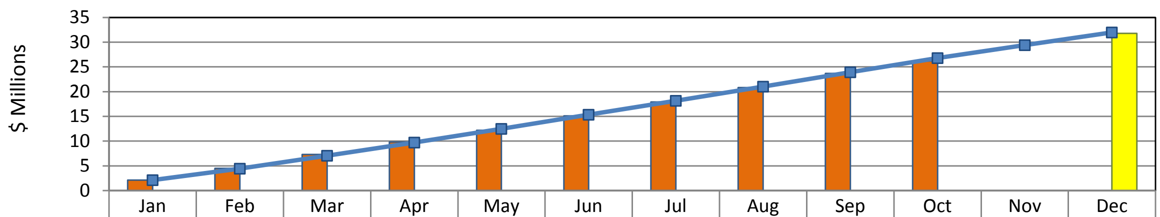
Cumulative Net Income (after tax)



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Actual	1.4	2.6	3.6	4.5	5.7	6.7	8.2	10.0	10.9	11.6		
Forecast												13.0
Plan	1.7	3.2	4.2	5.1	5.9	6.9	8.3	9.4	10.2	10.9	11.8	12.8

Actual Forecast Plan

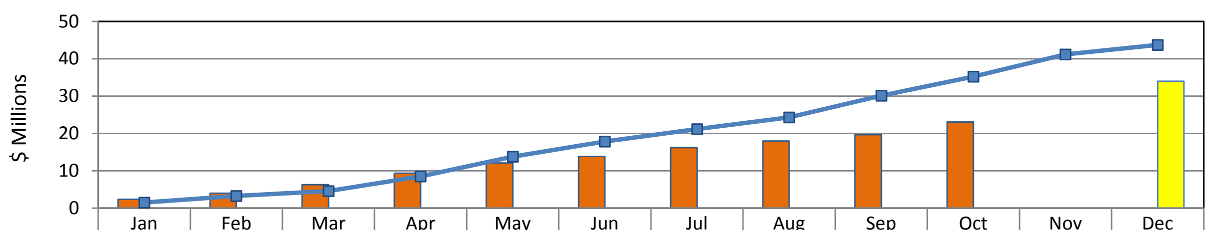
Cumulative OM&A



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Actual	2.1	4.5	7.3	9.8	12.2	15.1	17.9	20.8	23.7	26.2		
Forecast												31.8
Plan	2.1	4.4	7.1	9.7	12.5	15.4	18.2	21.0	23.9	26.8	29.4	32.0

Actual Forecast Plan

Cumulative Capital Expenditures



	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Actual	2.4	4.0	6.3	9.4	12.1	13.9	16.2	18.0	19.7	23.1		
Forecast												34.0
Plan	1.5	3.3	4.6	8.5	13.8	17.8	21.2	24.3	30.2	35.3	41.2	43.7

Actual Forecast Plan

Key Results		October 2016 Actual	October 2016 Variance From Plan	2016 Year-to-date Actual	2016 Year-to-date Variance From Plan	Year End Plan	Year End Projection	2015 Year-to-date Actual	2015 Year-to-date Yr/Yr Variance
Total Revenue	$M	48.0	2.8	501.5	16.8	580.0	594.1	442.9	58.6
OM&A	$M	2.5	0.3	26.2	0.6	32.0	31.8	23.3	(2.9)
Purchased Power	$M	42.3	(3.1)	438.4	(16.3)	504.8	518.5	382.7	(55.7)
Depreciation and Amortization	$M	1.5	-	14.2	0.2	17.6	17.6	15.5	1.3
Financing Charges	$M	0.9	-	9.3	(0.4)	10.9	11.2	9.6	0.3
Income Tax	$M	0.1	-	1.8	(0.2)	1.9	2.0	(0.9)	(2.7)
Net Income after Tax	$M	0.7	-	11.6	0.7	12.8	13.0	12.7	(1.1)
Return-Reg. Rate Base (ROE)[1]	%	N/A	N/A	N/A	N/A	5.8%	6.2%	N/A	N/A
Net Cash Flow	$M	3.4	1.8	3.5	7.0	4.7	14.5	31.7	(28.2)
Capital Expenditures	$M	3.4	1.7	23.1	12.2	43.7	34.0	45.4	22.3
Units Distributed to Customers	Gwh	308	(7)	3,433	80	4,017	4,097	3,365	68
Regular Staff		206	(36)	206	(36)	242	206	210	(4)
Contract Staff		65	24	65	24	41	70	32	33

[1]ROE is projected to reflect year end

[2] Brackets ( ) denote unfavourable variances vs. plan or prior year.

Explanation of October Results Compared to Plan

- Revenue is $2.8 million higher than plan due to higher energy sales ($3.1M), partially offset by lower distribution tariff revenue ($0.4M). Distribution tariff revenue is lower than plan for the month as a result of lower volume.
- Purchased power costs are $3.1 million higher than plan primarily due to the Global Adjustment ($4.0M), Regulated Price Plan (RPP) prices ($0.7M) and transmission costs ($0.3M), partially offset by Hourly Ontario Electricity Price (HOEP) ($1.0M) and lower volume ($0.9M).
- OM&A is lower than plan by $0.3 million as a result of lower IT salaries ($94K) mainly due to hiring fewer contract staff than planned to support MergeCo activities and the reduction in scope of the Asset Management project to assess cable management practices ($75K). In addition, OM&A was below plan due to lower Billing and Collection costs ($63K) as a result of lower costs for the communication of Smart Meters and lower postage, and the reduction in scope of the equipment inspection program ($58K).
- Net cash flow is higher than plan by $1.8 million as a result of the change in accounts receivable ($5.9M) and lower capital spending ($1.7M), partially offset by the change in regulatory accounts ($5.1M) and deferred tax (0.8M).
- Capital expenditures are lower than plan by $1.7 million primarily due to the deferral of the new ERP system ($0.8M), timing of new commercial customer connections ($0.6M), lower than planned expenditure on the Pleasant TS expansion ($0.2M), delay in the MS14 power transformer project ($0.1M), and lower planned enhancements & system improvements ($0.1M) due to change in scope of the Mayfield feeder extension.

Explanation of Year-to-date Results Compared to Plan

- Net income is higher than plan by $0.7 million as a result of higher revenue, lower OM&A and depreciation, partially offset by higher purchased power costs, financing charges and income tax. Financing charges are higher than plan due to interest expense on regulatory account balances, credit facility fees which were not budgeted and lower interest being capitalized as a result of lower capital spend. Income tax expense is higher than plan mainly due to higher effective tax rate resulting from higher earnings before income tax and CCA due to the change in capital expenditures.
- Revenue is $16.8 million higher than plan mainly due to higher energy sales ($16.3M) and distribution tariff revenue ($0.6M).
- Purchased power costs are higher than plan by $16.3 million primarily due to higher volume ($10.5M), Global Adjustment ($8.2M) and RPP prices ($4.2M), partially offset by HOEP ($4.8M), WMSC ($1.6M) and transmission costs ($0.1M).
- OM&A is $0.6 million lower than plan as a result of lower than plan IT salaries ($601K) mainly due to hiring fewer contract staff than planned to support MergeCo activities, a delay in equipment inspections ($429K), lower Asset Management project costs ($190K) due to a delay with the third party contractor and scope reduction and meter maintenance costs ($163K). These were partially offset by increased reactive repairs ($731K) resulting from inspections related to the insulator replacement program, switch replacements and sleeving out of in-line switches and isolation and maintenance costs, and under recovery of fixed and variable overheads ($421K).
- Net cash flow is higher than plan by $7.0 million as a result of lower capital spending ($12.2M) and higher accounts payable ($6.3M), partially offset by the change in regulatory accounts ($8.1M) and higher accounts receivable ($3.5M).
- Capital expenditures are lower than plan by $12.2 million. This is mainly due to deferral of the new ERP system ($5.3M), lower expenditures on new residential subdivisions ($2.6M), the deferral of socket gate upgrades to 2017 ($1.7M), lower expenditures on vehicles ($1.4M), and lower advanced metering infrastructure hosting ($0.6M) due to the services being switched from Hydro One Networks to Savage Data Systems.

Explanation of Year-to-date Results Compared to 2015

- Net income is lower than prior year by $1.1 million mainly due to higher purchased power costs, OM&A and income tax, partially offset by higher revenue, lower depreciation and financing charges. Income tax is higher than prior year due to 2015 tax savings relating to the load guarantee payment to Hydro One Networks.
- Revenue is $58.6 million higher year-over-year due to higher energy sales ($55.7M), higher distribution tariff revenue ($2.6M), and miscellaneous revenue ($0.3M). Distribution tariff revenue is higher than last year mainly due to increased volume and rates. Miscellaneous revenue is higher in 2016 mainly due to higher amortization of deferred revenue and higher late payment charges.
- Purchased power costs are $55.7 million higher year-over-year due to the Global Adjustment ($46.1M), RPP prices ($15.9M), volume ($9.0M), and WMSC ($2.2M), partially offset by lower HOEP ($17.5M).
- OM&A is $2.9 million higher year-over-year primarily due to the under recovery of overheads ($897K), higher Customer Service costs ($436K) mainly due to additional staff required to backfill current staff who are supporting MergeCo projects and higher line maintenance costs ($400K) mainly due to higher isolation and reconnection costs and higher pole testing costs. Additional costs in 2016 include Finance labour costs for staff required to support MergeCo projects ($365K). These costs are partially offset by lower IT costs related to the 2015 IT roadmap ($323K).
- Depreciation is $1.3 million lower than prior year due to the early retirement of 16S meters in 2015.

- Financing charges are $0.3M lower than prior year mainly due to higher interest revenue due to higher cash balances.
- Net cash flow is lower than prior year by $28.2 million primarily due to the $53 million share issuance to Hydro One in August 2015, the change in regulatory accounts ($5.4M), income tax payable ($2.4M) and losses on asset retirements ($1.9M), partially offset by lower capital spending ($22.3M), the change in accrued interest ($6.3M), and accounts payable ($5.7M).
- Capital expenditures are lower by $22.3 million year-over-year primarily due to the load guarantee payment to Hydro One in 2015 ($7.7M), lower spend on metering ($5.1M) due to the 16S meter replacements in 2015, system expansion & enhancement programs ($4.0M), vehicles ($1.8M), and system rehab and equipment replacement programs ($1.5M).

Explanation of Year end Projection Compared to Plan

- Net income is projected to be $0.2 million higher than plan mainly due to higher revenue and lower OM&A, partially offset by higher purchased power costs, financing, and income taxes.
- Revenue is projected to be higher than plan by $14.1 million as a result of higher energy sales ($13.7M) and distribution tariff revenue ($0.4M).
- Purchased power costs are projected to be $13.7 million higher than plan as a result of higher volume, commodity costs and WMSC due to a $1.9M credit received from the IESO.
- OM&A is forecasted to be $0.2 million lower than plan primarily as a result of fewer contract positions being hired in IT to support the merger ($0.7M), the reduction in scope of the equipment inspection project ($0.3M), lower labour costs for emergency preparedness ($0.1M) and the reversal of the BDT obligation ($0.1M). This is partially offset by higher reactive underground primary and secondary maintenance costs ($0.6M) and the residential service charges as a result of increased panel upgrade requests ($0.4M).
- Financing charges are projected to be $0.3 million higher than plan due to a decrease in capitalized interest, lower than plan interest income from regulatory account balances and unbudgeted costs for the credit facility stand-by charges and RBC letter of guarantee.
- Net cash flow is forecasted to be higher than plan by $8.4 million due to the reduction in capital expenditures.
- Capital expenditures are projected to be lower than plan by $8.2 million due to the deferral of the planned ERP system and lower than plan vehicle purchases.

Key Initiatives and Developments

- There were 461 new residential connections in the month of October compared to 510 for the same month last year, a decrease of approximately 10%. Year-to-date October 2016, residential connections are trending 8% higher than plan. The Company projects that new residential connections at year end will be 3,950 units, which is approximately 5% above the original plan.

Regulatory

- Intervenors and Board Staff filed final their submissions regarding the MAADS application between October 4 and 11. The Applicants' (Powerstream, Enersource & Horizon) final reply submission was filed with the OEB on October 18, 2016.

  OEB Staff were supportive of all elements of the Application with the exception of certain proposed conditions within the accompanying license application (filed as an amendment and addendum to the MAADs application). They did not support the request for an exemption for the Enersource and Horizon Utilities rate zones from the Distribution System Code requirement to migrate all residential and GS<50kW customers to monthly billing by December 31, 2016. Due to MergeCo's plans to consolidate the Customer Information Systems ("CIS") of the four merger partners, the requested exemption was to delay the implementation of monthly billing to December 31, 2018 for Enersource's residential customers and to December 31, 2019 for Horizon Utilities' residential and GS<50kW customers.

  MergeCo's final submission addressed this issue raised by OEB Staff and proposed the advancement of the implementation of monthly billing by 30 months for Horizon to June, 2017. However, for Enersource, no change was proposed to the timeline for the implementation of monthly billing for the residential customers. The submission included arguments that the simultaneous advancement of monthly billing along with the CIS conversion would likely result in: customer confusion; disruption; and possible billing errors for Enersource customers.

  The arguments submitted by intervenors and OEB staff in the MAADs proceeding reveal that, in most instances, there is no objection to the consolidation proposed by the Applicants. The only party that has taken the position that "the Board ought not to approve the proposed merger and acquisition" is the Building Owners and Managers Association ("BOMA"), which argued that the Application does not meet the Board's "no harm" test. BOMA, however, offered an alternative argument that would impose certain conditions on the approval, were the OEB inclined to approve the transaction. Even though, with the exception of BOMA, parties to this proceeding did not express opposition to the proposed merger, many submissions are made that, if accepted, would materially change the transaction that the Applicants have put before the OEB for approval.

  The intervenors proposals included material changes to aspects of the proposed transaction, including measures such as reducing the rebasing deferral period; modifying the proposed ESM in a variety of ways; and implementing an immediate rate reduction. The Applicants' final reply submission addressed these arguments by intervenors and clearly articulated to the OEB that such changes would jeopardize the deal.

  At the conclusion of the oral hearing, the Chair of the Board Panel identified his desire to receive submissions from the parties regarding preferences on potential reporting and accountability requirements that would be applicable to MergeCo as a licensed distributor. In the final reply submission, the Applicants articulated a willingness to provide separate reporting for all four rate zones where possible, particularly for reliability for the full ten years of rebasing deferral period, instead of consolidated reporting immediately for all OEB Scorecard and Reporting and Record Keeping ("RRR") metrics.

While the timing on a decision is not certain, during the Oral Hearing, the witnesses made it clear that the Applicants' intention was to complete the consolidation by the end of this year.

- On October 19, 2016 the OEB issued a notice, advising that there will be no change to RPP prices for households and small businesses. Rate changes are issued effective November 1 and May 1 each year, hence existing rates will remain in effect until April 30, 2017. Consistent with the existing practice, for customers who pay tiered RPP prices, the Tier 1 threshold increases from 600kWh to 1,000kWh for the winter. The threshold for small business remains at 750kWh/month all year.

- On October 27, 2016 the OEB issued the inflation adjustment factor of 1.9% for distribution rates effective in 2017. Since Hydro One Brampton has been assigned the stretch factor of 0.3%, the net increase applicable to the Company's distribution rates is 1.6%. For 2017, the revenue budget calculation was based on the 1.6% figure.

Balance Sheet Analysis
As at October31, 2016

($ millions)	2016 Actual	Variance From Plan	2015 Actual	Year/Year Variance
Cash and cash equivalents	44.0	7.0	29.0	15.0
Accounts receivable	85.8	3.8	76.4	9.4
Fixed assets	371.8	(14.2)	357.7	14.1
Intangibles (net of accumulated depreciation)	20.8	-	21.5	(0.7)
Regulatory assets	3.1	0.4	3.9	(0.8)
Environmental assets	-	-	0.1	(0.1)
Materials and supplies	1.4	0.2	1.2	0.2
Regulatory Asset – Deferred income taxes	9.5	4.7	8.1	1.4
Total Assets	536.4	1.9	497.9	38.5
Accounts payable	88.3	(6.3)	75.5	(12.8)
Deferred Revenue	34.9	1.6	21.6	(13.3)
Long-term debt including current portion*	192.3	-	192.2	(0.1)
Regulatory liabilities	1.1	3.0	3.3	2.2
Deferred tax liabilities	4.6	0.5	3.4	(1.2)
Employee future benefits other than pension	4.8	-	4.7	(0.1)
Environmental liability	-	-	0.1	0.1
Total Liabilities	326.0	(1.2)	300.8	(25.2)
Equity	210.4	(0.7)	197.1	(13.3)
Total Liabilities and Equity	536.4	(1.9)	497.9	(38.5)

* *Includes unamortized debt issue costs as a reduction of long term debt.*

Highlights

- Cash and cash equivalents are higher than plan due to lower capital expenditures and higher accounts payable, partially offset by higher accounts receivable. Cash is higher than last year due to lower spending on capital projects, higher deferred revenue, higher accounts payable and accrued interest, partially offset by higher accounts receivable.
- Accounts receivable is higher than plan mainly due to higher consumption, partially offset by lower recoverable work ($0.7M). Accounts receivable is higher than prior year mainly due to higher consumption.
- Accounts payable is higher than plan due to higher subdivision liabilities ($3.7M) and CDM liabilities ($2.0M). Accounts payable is higher than prior year due to higher accrued interest and cost of power, partially offset by lower subdivision liabilities and feeder accruals.

Regulatory Assets and Liabilities ($ millions)	Oct 2016	Sept 2016	Variance - Month	Dec 2015	Variance - YTD
Accounting Changes Under CGAAP	1.9	2.0	(0.1)	3.2	(1.3)
LRAM Variance	0.8	0.8	-	0.5	0.3
Other Regulatory Assets	0.4	0.4	-	0.2	0.2
Regulatory Asset – Future Income Taxes	9.5	9.5	-	7.3	2.2
Total Regulatory Assets	12.6	12.7	(0.1)	11.2	1.4
Retail Settlement Variance Accounts (RSVA)	(0.6)	(5.6)	5.0	(3.9)	3.3
Regulatory Assets Recovery Account (RARA)	(0.3)	(0.3)	-	(0.6)	0.3
Smart Meter Entity Charge Variance	(0.2)	(0.2)	-	(0.1)	(0.1)
Other Regulatory Liabilities	-	(0.1)	0.1	-	-
Total Regulatory Liabilities	(1.1)	(6.2)	5.1	(4.6)	(3.5)
Total Regulatory Assets & Liabilities	**11.5**	**6.5**	**5.0**	**6.6**	**4.9**

- The Accounting Changes under CGAAP account was used to record the financial differences arising as a result of OEB mandated changes to the capitalization policy in 2013. On December 18, 2014 the OEB issued their decision on the application and approved disposition of $4.8 million over 36 months as a charge to ratepayers starting in January 2015.

- The LRAM Variance account represents the difference between the actual verified impacts of CDM program activities and the amounts included in the load forecast.

- RSVA balance includes the following significant accounts:
  - RSVA-Wholesale Market Service Charge (WMSC) liability decreased in October due to differences between the estimated and actual WMSC prices.
  - RSVA-Power represents the variance between the rate charged by the IESO for energy and the rate Hydro One Brampton charges customers.
  - RSVA-Network represents the variance between the rate charged by the IESO for transmission network services and the rate Hydro One Brampton charges qualified customers.
  - RSVA-Connection represents the variance between the rate charged by the IESO for transmission connection services and the rate Hydro One Brampton charges qualified customers.
  - RSVA-Power Global Adjustment represents the variance between the rate used to calculate the charge from the IESO and the rate Hydro One Brampton charges qualified customer.

October 2016 Scorecard

	Strategic Objective	Performance Measure	Unit	2011	2012	2013	2014	2015	2016 Year-to-Date			2016 Year-End	
										Actual	Plan		2016 Target
	Health & Safety Excellence	Employee Safety	OSHA Recordable Rate (# of recordable per 200,000 hours)	6.16	2.27	1.62	1.56	2.9	★	0.56	≤ 1.2	●	≤ 1.2
	Health & Safety Excellence	Public Safety	# of measures meeting targets	NA	NA	NA	NA	NA	Δ	2 of 3	3 of 3	Δ	3 of 3
	Health & Safety Excellence	Public Awareness of Electrical Safety	% Completed	NA	NA	NA	NA	NA	Δ	78%	100%	Δ	100%
	Health & Safety Excellence	Compliance with Ontario Regulation 22/04	% Compliance	NA	NA	NA	NA	NA	●	100%	100%	●	100%
	Health & Safety Excellence	Serious Electrical Incident Index	# of serious electrical incidents per 1,000 kms of line	NA	NA	NA	NA	NA	●	100%	100%	●	100%
Financial	Increase Shareholder Value[1]	Net Income after Tax ($ millions)	$ million	$13.6	$17.3	$16.4	$14.4	$14.3	★	$11.6	$10.9	●	$12.8
Satisfying Our Customers	Meet Service Quality Commitments	Customer Service Index (% of measure meeting target)	# of measures meeting targets	9 of 9	10 of 10	10 of 10	8 of 10	10 of 10	●	10 of 10	10 of 10	●	10 of 10
Satisfying Our Customers	Meet Service Quality Commitments	Reliability Indices (% of measures meeting target SAIFI, SAIDI & CAIDI)	# of measures meeting targets	3 of 3	3 of 3	3 of 3	3 of 3	3 of 3	Δ	2 of 3	3 of 3	●	3 of 3
Satisfying Our Customers	Meet Service Quality Commitments	SAIFI	outages	1.05	0.89	0.93	0.90	0.75	★	0.39	0.80	●	≤ 0.91
Satisfying Our Customers	Meet Service Quality Commitments	SAIDI	hours	0.68	0.60	0.51	0.55	0.44	★	0.28	0.53	●	≤ 0.59
Satisfying Our Customers	Meet Service Quality Commitments	CAIDI	hours	NA	NA	NA	0.62	0.59	Δ	0.72	0.66	●	≤ 0.65
Satisfying Our Customers	Satisfying Our Customers	Customer satisfaction - Residential	% satisfied	91%	93%	95%	91%	91%	★	91%	90%	●	≥ 90%
Satisfying Our Customers	Satisfying Our Customers	Customer satisfaction - Commercial	% satisfied	NA	NA	94%	97%	95%	●	N/A	N/A	●	≥ 90%
Business Excellence	Operational and Business Excellence	Work Program Achievement	(% of projects completed within HOBNI control)	90%	90%	93%	95%	95%	★	77%	75%	●	≥ 92%
Business Excellence	Operational and Business Excellence	Renewable Energy Generation	# of milestones met	NA	NA	NA	NA	NA	●	2 of 2	2 of 2	●	2 of 2
Business Excellence	Operational and Business Excellence	Complete Renewable Connection Impact Assessments within 60 days	% Completed	NA	NA	NA	NA	NA	★	100%	90%	●	≥ 90%
Business Excellence	Operational and Business Excellence	New Micro-embedded Generation Facilites connected within 5 working days	% Completed	NA	NA	NA	NA	NA	★	100%	90%	●	≥ 90%
Business Excellence	Operational and Business Excellence	Supporting Growth of Electric Vehicles	# of milestones met	NA	NA	NA	NA	NA	●	2 of 2	2 of 2	●	2 of 2
Business Excellence	Operational and Business Excellence	Complete Requests for Capacity Support for Electric Vehicles within 60 days	% Completed	NA	NA	NA	NA	NA	★	100%	90%	●	≥ 90%
Business Excellence	Operational and Business Excellence	Complete Requests for Electric Vehicle Charging Stations within 5 working days	% Completed	NA	NA	NA	NA	NA	★	100%	90%	●	≥ 90%
Business Excellence	Organizational Strength	Organizational Health	# of milestones met	NA	NA	NA	NA	3 of 6	●	3 of 3	3 of 3	●	3 of 3
Business Excellence	Organizational Strength	Diversity and Inclusion	Completed	NA	NA	NA	NA	85%	●	68%	68%	●	100%
Business Excellence	Organizational Strength	Training & Development	% Completed	NA	NA	NA	NA	100%	●	88%	88%	●	100%
Business Excellence	Organizational Strength	Resiliency / Change Management	% Completed	NA	NA	NA	NA	100%	●	100%	100%	●	100%
Environment	Environmental Excellence	Conservation & Demand Management (CDM)	# of milestones met	NA	90%	6 of 7	1 of 2	3 of 3	●	3 of 4	3 of 4	●	3 of 4
Environment	Environmental Excellence	Setup an Energy Institute Partnership with Sheridan College	% Completed	NA	NA	NA	NA	NA	●	100%	100%	●	100%
Environment	Environmental Excellence	Achieve a 46.2 GWh reduction	% Completed	NA	NA	NA	NA	NA	Δ	73%	83%	Δ	100%
Environment	Environmental Excellence	Develop Local Initatives & Pilot Projects	% Completed	NA	NA	NA	NA	NA	●	100%	100%	●	100%
Environment	Environmental Excellence	Hold 40 events in 2016	% Completed	NA	NA	NA	NA	135%	★	215%	92%	●	100%

Legend	★ Better than plan	● On Plan	Δ Below Plan

Appendix A
Scorecard Discussion
Hydro One Brampton Networks Inc.

Employee Safety

Year-to-Date, Hydro One Brampton reached 360,348 man-hours without a Lost Time Incident (LTI). The Company has 1,880,468 hours without an LTI since December 2011. The Recordable Injury Frequency Rate (RIFR) for the reporting period is 0.56 as a result of one modified duty reported on April 19 and involved an employee who twisted their ankle while descending from a truck.

Public Safety

In May 2015, the OEB issued a new scorecard reporting requirement for utilities as it relates to Public Safety. The new requirement consists of three components, namely:

- Component A – Public Safety Awareness of Electrical Safety
- Component B – Compliance with Ontario Regulation 22/04
- Component C – Serious Electrical Incident

The Ontario Energy Board requires LDC's to conduct a biannual Public Awareness of Electrical Safety survey to measure the level of awareness of key electrical safety precautions among the public within the electricity distributor's service territory. The survey measures the degree of effectiveness for distributors' activities on preventing electrical accidents. The OEB has not assigned any specific targets at this time, but will be reviewing the information from these surveys to help establish these timelines.

Hydro One Brampton conducted a survey earlier this year and the Company's Public Safety Awareness Index Score was 78% compared with our target of 100%. UtilityPulse, who conducted the Company's survey, conducted 36 surveys for different LDC's. UtilityPulse has found that the average Public Safety Awareness Index Score for these 36 LDC is 82%.

Component B is an ongoing process that has been in existence since 2004 when Ontario Regulation 22/04 came into effect. The audit related to the regulation was completed on June 13th and 14th, 2016 for the period of May 1st2015 to April 30th 2016. Hydro One Brampton was issued its 2015 Compliance Assessment by the Electrical Safety Authority on August 10th, 2016 and has been found fully compliant with all three requirements of the Audit, declaration of compliance and due diligence inspections. Component B is now 100% compliant and the Company has achieved this target.

Component C details the number and rate of "serious electrical incidents" (as defined by Regulation 22/04) occurring on a distributor's assets and is normalized per 10,100 or 1,000 km of line (10km for total lines under 100km, 1,000km for total lines over 1,000km, and 100km for all the others). Only equipment which is applicable to Section 12 of Regulation 22/04 will be considered. A "serious electrical incident" will appear as part of this component if it is determined that a member of the Public was involved in the incident (i.e. caused a death, critical injury or had the potential to cause death or critical injury).

For the month of October 2016, there were no serious electrical incidents.

Net Income

Net income is higher than plan by $0.7 million as a result of higher revenue, lower OM&A and depreciation, partially offset by higher purchased power costs, financing charges and income tax.

Customer Service Index

The Company met ten of ten customer service measures.

Measure	Year End 2015 Actual	2016 YTD Actual	2016 Target
New Connects – Residential	99%	100%	99%
New Connects – Comm./Ind.	100%	100%	99%
Cable Locates	99%	96%	96%
Telephone Accessibility	81%	81%	80%
Telephone Call Abandon Rate	1.5%	1.7%	<2%
Appointments Met	100%	100%	99%
Rescheduled Missed Appointments	100%	100%	100%
Written Responses	100%	100%	99%
Emergency Response	100%	100%	99%
Reconnection Standards	100%	100%	98%

Telephony

Year-to-date, Customer Accounts and Credit & Collections have answered 80.9% of telephone calls within 30 seconds and the call abandon rate is 1.7%. During the same period last year, 81.2% of telephone calls were answered within 30 seconds and the call abandon rate was 1.6%.

Reliability Performance

For the month of October 2016, Hydro One Brampton met two of three reliability targets. The year-to-date frequency performance measure (SAIFI) was 0.39 interruptions, which was 52% better than the planned target. The year-to-date duration performance measure (SAIDI) was 0.28 hours, which was also better than the planned target by 47%. The customer average interruption duration index (CAIDI) was 0.72 hours, which was worse than the planned target by 10%.

Hydro One Brampton's monthly reliability indices are calculated using metrics which exclude the impact of 'loss of supply' and/or 'major storms'. During October 2016, there were no major storms or loss of supply events.

Hydro One Brampton experienced a total of 38 outage events in the month of October affecting a total of 70,685 customers. Within these 38 outage events, 14 events (36%) were 'auto-reclose' operations (interruptions lasting less than one minute) of which, only three resulted in sustained outages. Therefore 11 auto-reclose events (29% of the total number of outage events) affected 48,362 customers for less than minute and did not result in a sustained outage. The three auto-reclose events (8% of total events) resulting in a sustained outage, affected 3,789 customers, of those only 127 were affected for more than a minute. These same three events were all caused by failed equipment. Of the 11 auto-reclose events that did not result in a sustained outage, causes were due to customer equipment (1), animal/bird contact (1) and unknown cause (9). The remaining 24 sustained outage events (63% of total) that did not involve an auto-reclose operation, were caused by failed equipment (8), planned (scheduled) outages (7), vehicle accidents (6), contractor contacts (2), and trees (1). These 24 sustained outages impacted 18,534 customers.

Satisfying our Customers

The Company's 2016 Customer Satisfaction Telephone Survey was completed in March and was based on a random sample approach. The survey focused on customer feedback and opinions associated with accuracy of bills, front line customer service, the image of Hydro One Brampton, outage management and system reliability. It is important to note that the industry is affected by events outside of the control of Hydro One Brampton and these events cause concern amongst our customers. Of note the greatest concern for customers is the overall cost of electricity and the continuing escalation of their bills. This is predominantly outside the control of Hydro One Brampton as distribution charges represent a relatively small portion of the customer bill compared with the cost of power.

For 2016, Hydro One Brampton attained an overall "A" rating as compared to B for the Ontario benchmark and an overall Customer Satisfaction Rating of 91%. Additionally, ratings improved in several categories. Customer Care experienced an overall increase from a score of B+ in 2015 to an A in 2016. Overall satisfaction results reflect the combined increase of scores from the following categories: Price and Value and Customer Service improve to a B+ and A respectively from a B and B+ from the previous year. In addition, Power Quality and Reliability improved to an A+ from an A.

Satisfaction with Customer Service improved significantly over 2015 reflecting the focus on improving the interactions of the customer experience. Overall customer satisfaction average increased from 63% in 2015 to 79% in 2016 due to the implementation of multiple Customer Service initiatives that have taken place over the past eighteen months. These initiatives include increased and intensive Customer Service Representative training, new online self-service forms, greater emphasis on call answer times and responses, and higher staffing levels to better accommodate the rise in call volumes.

Work Program Achievement

Hydro One Brampton's work program achievement target for 2016 is 92% completion. October results are tracking at 77% which is 2% ahead of plan. The remaining work program is progressing on schedule to meet the year-end target.

Renewable Energy Generation

For the month of October 2016, Hydro One Brampton has processed six microFIT applications for 59.5kW, eight FIT application for a total of 3,175kW and two Net-Metering applications for a total of 20kW. A total of four microFIT projects, for a total capacity of 40kW were connected to the grid in October. One Connection Impact Assessment (CIA) study for 999kW was also completed this month.

Year to date, Hydro One Brampton has processed fifty-four microFIT applications for a total of 527kW, forty-seven FIT applications and for a total of 17,212kW and seven Net-Metering applications for a total of 155kW. A total of 301 MicroFIT projects, for a total capacity of 2,981kW, six FIT projects for a total capacity of 1,780 kW and one Net-Metered project for a capacity of 5.5kW were connected to the grid this year. Two Connection Impact Assessment (CIA) studies for 1,049kW have also been completed this year.

Hydro One Brampton is 100% compliant per OEB allowable timelines for responding to all FIT/MicroFIT applications, CIA requests and connections.

<table>
<tr><th colspan="13">FIT & Micro-FIT Activity – YTD October 31st, 2016</th></tr>
<tr><th rowspan="3">Type</th><th colspan="2">Form "A" & "E"</th><th colspan="2" rowspan="2">CIA &/OR Offer-to-Connect Completed</th><th colspan="2">Connections</th><th colspan="4">Capital Investments</th></tr>
<tr><th colspan="2">Applications Completed</th><th rowspan="2">Count</th><th rowspan="2">kW</th><th colspan="2">Expansions</th><th colspan="2">Enabling Improvements</th></tr>
<tr><th>Count</th><th>kW</th><th>Count</th><th>kW</th><th>Forecasted</th><th>Actual</th><th>Forecasted</th><th>Actual</th></tr>
<tr><td>FIT</td><td>47</td><td>17212</td><td>2</td><td>1049</td><td>6</td><td>1780</td><td rowspan="3">80,000</td><td rowspan="3">0</td><td rowspan="3">$0</td><td rowspan="3">$0</td></tr>
<tr><td>Micro-FIT</td><td>54</td><td>527</td><td>45</td><td>467</td><td>301</td><td>2981</td></tr>
<tr><td>Net Meter</td><td>7</td><td>155</td><td>4</td><td>35</td><td>1</td><td>6</td></tr>
<tr><td>Totals</td><td>108</td><td>17894</td><td>51</td><td>1551</td><td>308</td><td>4767</td><td>80,000</td><td>0</td><td>$0</td><td>$0</td></tr>
</table>

Facilitating and Supporting the Growth of Electric Vehicles

Hydro One Brampton is participating in a consortium of Bus Transit Agencies, Bus Manufacturers and Electrical Charging Equipment Manufacturers coordinated by Canadian Urban Transit Research and Innovation Consortium (CUTRIC) to investigate the feasibility of a trial on-route electric charging system. Brampton Transit has identified two potential bus routes with eight buses as a pilot.

On September 28th, 2016, Hydro One Brampton and Horizon Utilities made a presentation to CUTRIC, transit companies, universities, colleges and other utilities. Both Hydro One Brampton and Horizon Utilities continue to support the electrification of transit but can only do so under their normal business practices by treating it as a general service connection. It has been recommended to CUTRIC that Local Distribution Company (LDC) affiliates are better structured with the ownership and maintenance of the charging system. To date, no approval for funding of this project has been obtained from the Provincial government. However, CUTRIC has stated that conditional financing from the Federal Government through the National Research Council of Canada of $5 million was approved, partly funding the charging system infrastructure. If all funding is obtained, electric busses can be operational on two routes in Brampton by Q4 of 2017.

Hydro One Brampton did not receive any new requests for the capacity or connection of EV charges for electric vehicles for the month of October.

Organizational Health

Diversity and Inclusion

Hydro One Brampton values the background, experience, perspective, and talent of each individual and strives to create a workforce where all backgrounds and cultures feel included, welcome, and valued. In continuing to provide learning and development in the areas of diversity and inclusion, our target is to launch six lunch and learn sessions on diversity and inclusion topics. To date, the Company has completed three sessions. The Company has launched three new lunch and learn sessions, starting this month, and continuing to December 2016. October's session on cognitive diversity demonstrated the value of leveraging differences through patterns and approaches to all aspects of work, a dimension of diversity rarely explored. The next session will touch on communication styles and for the final session, CCDI will provide an overview on diversity and inclusion topics in the form of a game.

Training and Development

In October the Company hosted an additional "Effective Thinking Suite" session on the topic of Conflict Management. These Effective Thinking sessions aim to provide the leadership group the opportunity to explore the fundamental framework of their thinking to enable them to achieve better results from themselves and their teams. The final session in November will focus on the topic of decision making.

Resiliency/Change Management

With the upcoming merger, it was essential for the business to partner with our Employee Assistance Provider, FSEAP Thames Valley to provide a Resiliency/Change Management workshops in order to equip employees with the tools they will need to become more resilient. A total of nine workshops, titled 'Riding the Wave: Life Skills for Change' were delivered during the month of May and 69% of staff attended.

Generally, staffs are appreciative of the training and have echoed concerns on the uncertainty and the impact of the impending merger on them. Staff are aware that the administration portion of the building will be de-staffed over the next few years and hence know that at a minimum they will being facing a change in work location. However, specific feedback from these sessions identified employees, particularly young workers, as experiencing more vulnerability and concerns about job loss. We also received feedback regarding the timing of these sessions in that it would be beneficial to offer more resiliency training as the changes actually occur, as some had difficulty in visualizing what these changes would mean for them at this stage in the merger process. Additional stress management/resiliency sessions or FSEAP support is something that could be beneficial to employees, particularly our young workers, in late 2016/early 2017.

CDM

CDM Plan Resubmission

The IESO returned the joint CDM Plan on October 20th with requests to include additional information and changes to the budget, energy savings and nomenclature associated with specific programs including the Truckload Event. The plan will be resubmitted for final approval from the IESO pending finalization of the Truckload Event.

Fall Coupon Event

Hydro One Brampton promoted the annual Fall Coupon event throughout the month of October. Eleven information and customer engagement booths were set up at major retail stores in Brampton, including Home Depot, Lowes, Rona and Canadian Tire. Canadian Tire was recently reengaged as a channel partner for this program after demand for the residential coupons and conservation awareness was established by representatives of Canadian Tire Corporate office.

Small Business Lighting

As part of the Small Business Lighting Program, Hydro One Brampton has helped to facilitate 20 lighting retrofit projects that were installed in October.

Target Overview

Hydro One Brampton continues to track slightly below target on its 46.2 GWh reduction plan. Presently, 18.84 GWh have been recognized. There is a significant delay with respect to participants submitting the required documents upon project completion and due to this delay, the additional 15 GWh in savings for the Retrofit program have not been recognized by the IESO at this time. Once these savings have been included by the IESO, Hydro One Brampton is expected to have realized 33.84 GWh of energy savings.

Efforts to bridge the target gap continue and have produced significant returns:

- The Retrofit Program is in a position to yield the greatest results towards the Company's 2016 energy reduction target. However, it is dependent on customers submitting their project applications by May 31st, 2017 for the results to be considered for the 2016 calendar year. Additional resources have been mobilized to contact all customers that have existing conservation projects through the *Save on Energy* program to determine project status and assist them with project completion requirements.

Community Outreach

As of the end of October, the Energy Services and Conservation teams participated, hosted or attended 86 events. This included several promotional events with the Brampton Beast hockey team as they enter a new season. The Hydro One Brampton Corporate Night took place on October 28th, with the ceremonially puck drop presented by a Hydro One Brampton executive.

Hydro One Brampton also participated in the 2016 Diwali Festival (Festival of Lights) event held at Bramalea City Centre where the attendance was expected to be 130,000. The event showcased South Asian music and dance performances, a fashion show, folk art and traditional food. The Company had a booth at the Community Corner section of the festival handing out promotional items and teaching visitors how to save on energy.

Appendix B
Status of Major Capital Projects

Road Widenings

- Countryside Drive – Goreway Drive to the Gore Road - Project was issued on schedule in August and has commenced with the delivery of poles on site. The project is currently at 20% completion.

Feeder Expansion Projects

- Goreway 136M1 feeder egress – intersection of Queen Street East and Goreway Drive is currently at 30% completion. Civil works are to be completed by mid-November. Installation of poles was completed in advance of civil works.

Assets Management – Sustainment & Maintenance Projects

Insulator Replacement Program

Hydro One Brampton continues to focus on replacing 13.8 kV and 28 kV porcelain insulators. The 2016 project scope includes replacing porcelain insulators in known high road salt contamination areas and at high impact pole locations, supporting multiple circuits, customer taps, transformation, heavy angles and dead-end structures. The project is tracking at 70% completion.

Equipment Inspection & Testing Program

Hydro One Brampton advanced 2017 and 2018 distribution system inspection and pole testing activities into 2016 to provide flexibility for construction resource levelling in periods of low resource demand. The distribution system equipment inspection program, which commenced in April, targeted the inspection of 5,500 on-grade transformers and 300 pad-mounted switchgears. This includes visual inspection of poles and pole mounted transformers within the inspection zone. This effort is currently tracking at 55% completion. The wood pole testing program includes testing approximately 4,500 poles. Hydro One Brampton staff were trained in the use of Pollux pole testing equipment and began testing poles in May. This project is tracking at 25% completion. These multi-year programs are continuous in nature and any remaining inspections will be rolled into the 2017 inspection program.

Grounding repairs

System ground repairs commenced in July. This maintenance project involves re-establishing required ground resistance values at identified locations in the feeder system to ensure worker protection and proper operation protection schemes. Substandard grounding issues were identified during previous pole testing and inspection programs. The 2016 project was completed in October.

Subgrade Chamber Inspections

This inspection program involves examining the structural condition of the chamber as well as equipment condition as it relates to worker safety. It also involves taking inventory of assets inside the chamber. The Lines crew is equipped with a GoPro to video record the contents of the chamber including the interior walls, floor and ceiling, duct and cable system and equipment. The video will be stored and maintained in the Lines Department. The inspection commenced in October and is expected to be completed in November.

MS 14 Stations Upgrade Work

This capital project involves replacing the aging and undersized feeder cables that provides supply to MS-14. The project is being done in conjunction with the replacement of the T1 power transformer and the two switchgears at the station.

These works are in alignment with the Company's asset replacement plans and industry standards for stations. Hydro One Brampton has been working with the supplier to ensure scope, cost, schedule and quality are maintained. This has involved site presence for witness testing of the transformer and associated switchgears. It is expected that the new transformer with the upgraded protection and control will be commissioned by the second week of November 2016 with full commissioning for the upgraded station protection and control scheme being completed by January 2017.