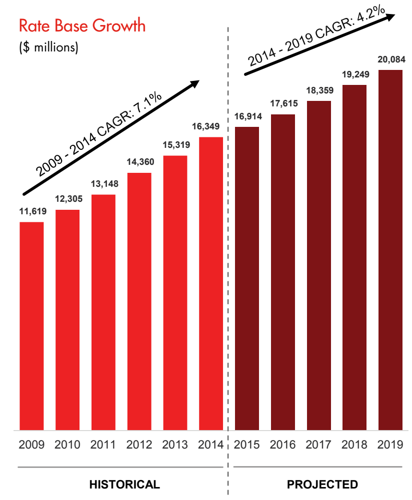
REPLACE WITH FRONT PAGE OF PROSPECTUS

INVESTMENT HIGHLIGHTS

- Significant Scale and Leadership Position in Ontario
- Consistent and Stable, Rate-Regulated Environment
- Proven Senior Management Team and Experienced, Independent Board of Directors
- Stable Regulated Cash Flows and Strong Balance Sheet
- Robust and Predictable Organic Growth Profile

STABLE REGULATED CASH FLOWS AND STRONG BALANCE SHEET

- Essential rate-regulated infrastructure services generate 99% of revenues
- Stable, growing rate base underpins growth in net cash from operating activities and net income
  - Rate base growth of 7.1% (2009–2014 CAGR)
  - Net cash from operating activities growth of 7.1% (2009 – 2014 CAGR)
  - Net Income growth of 9.7% (2009 – 2014 CAGR)
- Active participant in public debt capital markets with strong "A" credit ratings



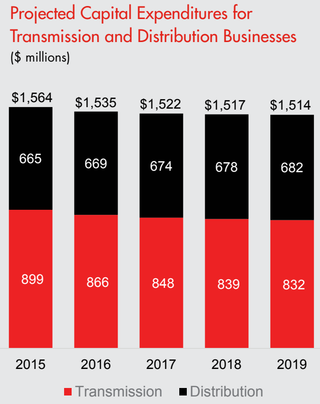
SIGNIFICANT SCALE AND LEADERSHIP POSITION IN ONTARIO

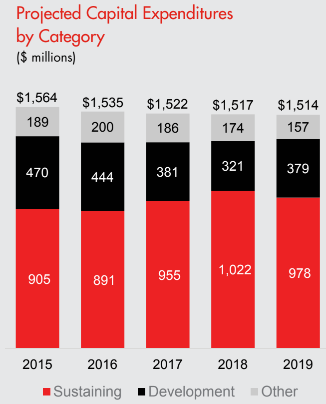
Key Advantages

- Low cost of borrowing and broad access to debt capital markets
- In-house team of industry experts
  - Asset management
  - Operations
  - Post-outage recovery
  - Project design
  - Engineering
  - Project management and construction
- Resources and commitment to invest in innovation, continuous improvement, customer service
- Comprehensive stakeholder engagement process
- Extensive experience building and maintaining effective relationships with First Nations and Métis communities
- Leading role in working with regulatory authorities on energy policy, regulatory changes, etc.

ROBUST AND PREDICTABLE ORGANIC GROWTH PROFILE

- Rate base growth represents greatest near term opportunity
- Estimated average annual capital investments of ~$1.5 billion per year over the next 5 years, with the focus on improving existing assets
- All capital expenditures are included in rate base
- Additional LDC consolidation opportunities





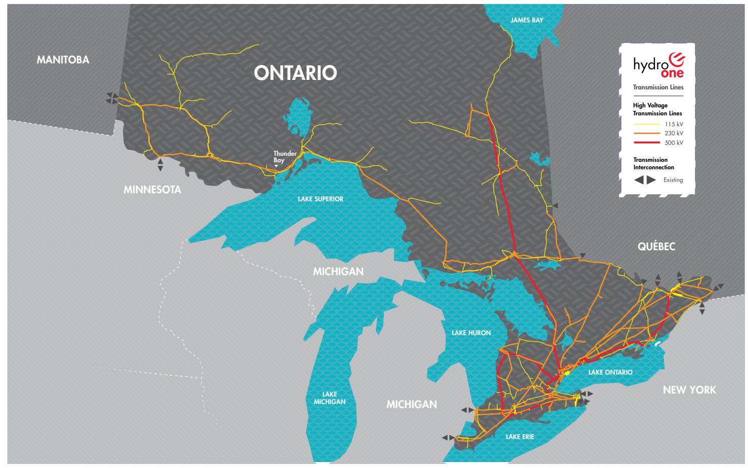
CONSISTENT AND STABLE, RATE-REGULATED ENVIRONMENT

- Stable and sophisticated regulator
- Transparent and predictable rate setting process
  - ROE set by a formula linked to long-term government bond yields and corporate bond spreads
- OEB-approved rates based on recovery of costs plus approved rate of return and incentive for productivity improvements
- Hydro One has earned or exceeded its allowed ROE on a consolidated basis

	2010	2011	2012	2013	2014	2015
Allowed ROE on Deemed Equity (40% of Capital Structure)						
Transmission	8.39%	9.66%	9.42%	8.93%	9.36%	9.30%
Distribution	9.85%	9.66%	9.66%	9.66%	9.66%	9.30%

TRANSMISSION BUSINESS

- **Scale:** We are one of North America's largest electricity transmitters, owning and operating 96% of Ontario's network.
- **Stability:** Transmission produces reliable cash flow with low volatility under OEB cost of service regulation.
- **Growth:** We are building our rate base with planned low-risk capital expenditures of \$800 – \$900 million per year through 2019.

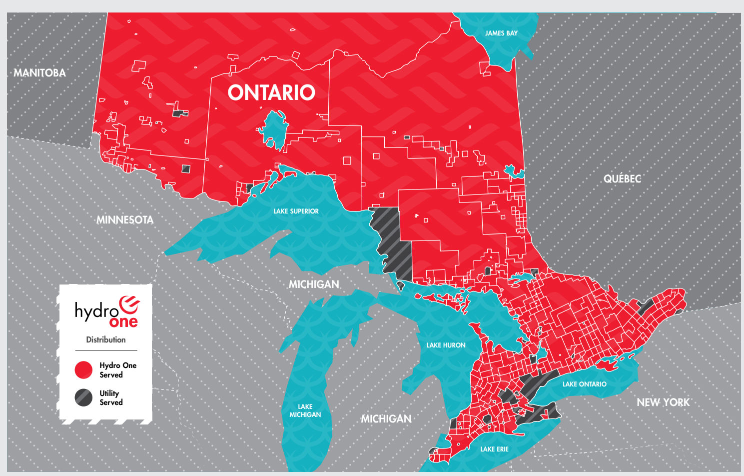


- 48 local distribution company customers
- 90 large industrial customers

5 year average allowed ROE of 9.15%

DISTRIBUTION BUSINESS

- **Scale:** We are the largest electricity distributor in Ontario, with 1.3 million residential and business customers.
- **Stability:** Distribution is a stable, rate-regulated business operating under the OEB's performance-based model.
- **Growth:** We are building our rate base with planned low-risk capital expenditures of \$600 – \$700 million per year through 2019.



5 year average allowed ROE of 9.70%

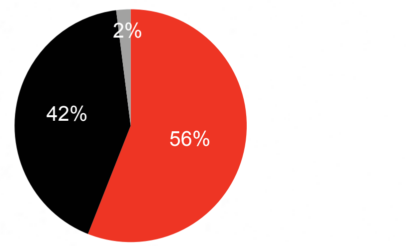
hydroOne AT A GLANCE

LARGEST ELECTRICITY TRANSMISSION AND DISTRIBUTION BUSINESS IN ONTARIO

$23.2 BILLION OF ASSETS

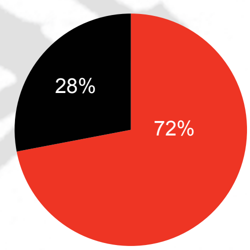
STABLE **AND REGULATED CORE** BUSINESSES

Total Assets at June 30, 2015



$23.2 billion

2014 Net Income



$747 million

2014 FINANCIAL PERFORMANCE

$6.5 BILLION IN REVENUE

$747 MILLION IN NET INCOME

$1.29 BILLION IN FUNDS FROM OPERATIONS[1]

29,344 CIRCUIT-KILOMETRES OF **TRANSMISSION LINES**

1.27 MILLION **DISTRIBUTION** CUSTOMERS

[1] 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) noncontrolling interest distributions. See "Non-GAAP Measures".