### Scorecard - Hydro One Networks Inc.

#### Performance Outcomes

<table>
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</thead>
<tbody>
<tr>
<td><strong>Customer Focus</strong></td>
<td>New Residential/Small Business Services Connected on Time</td>
<td>97.40%</td>
<td>97.40%</td>
<td>97.50%</td>
<td>98.60%</td>
<td>98.06%</td>
<td>Up</td>
<td>90.00%</td>
</tr>
<tr>
<td></td>
<td>Scheduled Appointments Met On Time</td>
<td>98.40%</td>
<td>99.30%</td>
<td>98.50%</td>
<td>99.50%</td>
<td>98.94%</td>
<td>Up</td>
<td>90.00%</td>
</tr>
<tr>
<td></td>
<td>Telephone Calls Answered On Time</td>
<td>63.90%</td>
<td>69.60%</td>
<td>76.40%</td>
<td>74.20%</td>
<td>81.85%</td>
<td>Flat</td>
<td>65.00%</td>
</tr>
<tr>
<td></td>
<td>First Contact Resolution</td>
<td>78.30%</td>
<td>79%</td>
<td>82%</td>
<td>82%</td>
<td>85%</td>
<td>Up</td>
<td>85.00%</td>
</tr>
<tr>
<td><strong>Customer Satisfaction</strong></td>
<td>Billing Accuracy</td>
<td>94.63%</td>
<td>98.59%</td>
<td>99.04%</td>
<td>99.28%</td>
<td>98.40%</td>
<td>Up</td>
<td>98.00%</td>
</tr>
<tr>
<td></td>
<td>Customer Satisfaction Survey Results</td>
<td>87%</td>
<td>85%</td>
<td>85%</td>
<td>84%</td>
<td>85%</td>
<td>Flat</td>
<td>85.00%</td>
</tr>
<tr>
<td><strong>Operational Effectiveness</strong></td>
<td>Level of Public Awareness</td>
<td>81.00%</td>
<td>81.00%</td>
<td>81.00%</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>Level of Compliance with Ontario Regulation 22/04</td>
<td>NI</td>
<td>NI</td>
<td>C</td>
<td>NI</td>
<td>C</td>
<td>Down</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Serious Electrical Incident Index</td>
<td>0.059</td>
<td>0.033</td>
<td>0.042</td>
<td>0.091</td>
<td>0.065</td>
<td>Down</td>
<td></td>
</tr>
<tr>
<td><strong>System Reliability</strong></td>
<td>Average Number of Hours that Power to a Customer is Interrupted</td>
<td>6.88</td>
<td>7.49</td>
<td>7.65</td>
<td>7.83</td>
<td>7.95</td>
<td>Flat</td>
<td>10.31</td>
</tr>
<tr>
<td></td>
<td>Average Number of Times that Power to a Customer is Interrupted</td>
<td>2.49</td>
<td>2.70</td>
<td>2.63</td>
<td>2.47</td>
<td>2.32</td>
<td>Flat</td>
<td>2.93</td>
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<tr>
<td><strong>Asset Management</strong></td>
<td>Distribution System Plan Implementation Progress</td>
<td>Under Review</td>
<td>97%</td>
<td>116%</td>
<td>105%</td>
<td>103%</td>
<td>Flat</td>
<td></td>
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<tr>
<td><strong>Cost Control</strong></td>
<td>Efficiency Assessment</td>
<td>5</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>Flat</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Cost per Customer</td>
<td>$1,046</td>
<td>$1,069</td>
<td>$983</td>
<td>$987</td>
<td>$974</td>
<td>Flat</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Total Cost per Km of Line</td>
<td>$10,682</td>
<td>$10,916</td>
<td>$10,198</td>
<td>$10,551</td>
<td>$10,444</td>
<td>Flat</td>
<td></td>
</tr>
<tr>
<td><strong>Public Policy Responsiveness</strong></td>
<td>Renewable Generation Connection Impact Assessments Completed On Time</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>99.71%</td>
<td>Flat</td>
<td></td>
</tr>
<tr>
<td></td>
<td>New Micro-embedded Generation Facilities Connected On Time</td>
<td>99.97%</td>
<td>100.00%</td>
<td>99.78%</td>
<td>99.22%</td>
<td>99.77%</td>
<td>Flat</td>
<td></td>
</tr>
<tr>
<td><strong>Financial Performance</strong></td>
<td>Net Cumulative Energy Savings</td>
<td>17.27%</td>
<td>42.50%</td>
<td>80.83%</td>
<td></td>
<td></td>
<td>Flat</td>
<td></td>
</tr>
<tr>
<td><strong>Financial Ratios</strong></td>
<td>Liquidity: Current Ratio (Current Assets/Current Liabilities)</td>
<td>1.00</td>
<td>0.99</td>
<td>0.97</td>
<td>0.80</td>
<td>0.55</td>
<td>Flat</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio</td>
<td>1.35</td>
<td>1.31</td>
<td>1.19</td>
<td>1.46</td>
<td>1.39</td>
<td>Flat</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Profitability: Regulatory Return on Equity</td>
<td>9.66%</td>
<td>9.66%</td>
<td>9.30%</td>
<td>9.19%</td>
<td>8.78%</td>
<td>Flat</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Achieved (included in rates)</td>
<td>8.00%</td>
<td>6.26%</td>
<td>8.77%</td>
<td>8.41%</td>
<td>7.94%</td>
<td>Flat</td>
<td></td>
</tr>
</tbody>
</table>

1. Compliance with Ontario Regulation 22/04 assessed: Compliant (C); Needs Improvement (NI); or Non-Compliant (NC).
2. The trend's arrow direction is based on the comparison of the current 5-year rolling average to the distributor-specific target on the right. An upward arrow indicates decreasing reliability while downward indicates improving reliability.
3. A benchmarking analysis determines the total cost figures from the distributor's reported information.
4. The CDM measure is based on the new 2015-2020 Conservation First Framework.

**Legend:**
- **5-year trend**
  - Up
  - Down
  - Flat
- **Current year**
  - Target met
  - Target not met

**Target Values:**
- Hydro One Networks Inc.
- Industry
- Distributor
2017 (fiscal YE) Scorecard Management Discussion and Analysis ("Scorecard MD&A")

The link below provides a document titled “Scorecard - Performance Measure Descriptions” that has the technical definition, plain language description and how the measure may be compared for each of the Scorecard’s measures in the 2017 Scorecard MD&A:

Scorecard MD&A - General Overview

Hydro One Networks Inc.’s (referred to as “the Company” or “Hydro One”) 2017 performance was met or better than target in all areas except for the “Serious Electrical Incident Index” (“Number of General Public Incidents” and “Rate per 10, 100, 1000 km of line”).

Our cost-control performance continued to show improvement with a reduction in total costs per customer and per kilometer of distribution system line. The cost performance improvement in 2017 achieved a reduction of over 1.3 per cent on total cost per customer and 1.0 per cent on total cost per kilometer of line. These translated to cost reductions of $13 per customer and $107 per kilometer of line in 2017.

Service Quality

- **New Residential/Small Business Services Connected on Time**
  In 2017, Hydro One processed 19,061 new connection requests for residential and small business low-voltage customers (those with service less than 750 Volts). Of these, 98.06 per cent were completed within five business days (or as agreed to by the customer and the distributor), better than the industry target of 90 per cent for the fifth consecutive year. The Company’s steady improvement over the past five years is mainly attributable to strong customer-focused business processes, improvements with scheduling practices, and an internal target of 98 per cent.

- **Scheduled Appointments Met On Time**
  Hydro One scheduled 29,949 appointments in 2017. The Company recorded a 98.94 per cent success rate in meeting these commitments, better than the industry target of 90 per cent for the fifth consecutive year. The result for 2017 represents a decrease of
about 0.6 per cent compared to last year. The Company’s performance in appointment scheduling has benefited from the same factors, which contributed to the ability to connect residential and small business services within five business days. This measure applies to appointments where customer presence is required and also to those where customers do not need to be present. When a customer requests an appointment, the appointment must be scheduled within five business days (or as agreed to by the customer and the distributor). If customer presence is not required, the distributor must arrive on the scheduled date.

- **Telephone Calls Answered On Time**

Hydro One call centre agents handled a total of about 2.5 million phone calls from customers in 2017. Of this total about 1.3 million phone calls were handled by agents and 1.2 million calls were managed by the Company’s Interactive Voice Response system (“IVR”). In 2017, the Company answered 81.85 per cent of calls within 30 seconds, exceeding the industry target by 16.85 per cent, and higher by 7.65 per cent compared to last year.

The Company continues to invest in customer satisfaction. The OEB’s DSC requires call centre staff to answer calls within 30 seconds, 65 per cent of the time, whenever the customer reaches an agent either directly or by means of a transfer. During the year, our ability to answer calls in a timely manner will be affected by spikes in call volumes which are affected by unexpected events and extreme weather conditions such as storms. Even including these impacts, we expect our performance to continue to exceed the industry target and to meet or exceed our internal target of answering calls within 30 seconds or less, 80 per cent of the time.

**Customer Satisfaction**
- **First Contact Resolution**

First Contact Resolution (FCR) reports the success of the distributor in resolving a customer’s issue during the first contact, as reported by the customer. Hydro One measures FCR based on transactional surveys that are performed within five days of our interaction with the customer. In 2017, 85 per cent of issues were resolved during our first contact with the customer. This is an increase of 3 per cent compared to last year and is better than the Company’s internal target of 83 per cent.
• Billing Accuracy
In 2017, the Company issued 12,826,624 bills and achieved a 99.28 per cent billing accuracy, exceeding the industry target by 1.28 per cent. Compared to 2016, the Company issued 829,444 additional bills in 2017 and improved the billing accuracy by 0.7 per cent year-over-year. The Company’s continued improvement in billing accuracy is mainly attributable to ongoing business process optimization, tuning the smart meter network, and a continued focus on addressing smart meters that do not meet the necessary quality levels. The notable increase in the number of bills issued compared to last year was mainly driven by customer growth (acquisitions) and the OEB’s direction to eliminate bi-monthly billing for customers acquired from acquisitions.

• Customer Satisfaction Survey Results
Customer satisfaction remained relatively steady at 85 per cent in 2017. Hydro One utilizes an equally weighted composite index consisting of seven components measuring: customer satisfaction with Outage Handling, Agent Handled Calls, Forestry Services, New Connections and Upgrades, myAccount CSAT, Large Distribution Accounts (LDAs) and Distribution Generator Percent of Milestones Met.

In order to improve customer satisfaction, Hydro One took a number of steps to enhance the overall customer experience. Customer communication, self-service options, scheduling, and execution of customer requests were all identified as ways to improve the customer experience. There were several major initiatives underway in 2017 that helped to improve customer satisfaction, including: high usage alerts, eBilling notifications, bill redesign, and an enhanced website and online customer portal.

• High usage alerts proactively deliver notifications to customers whose electricity usage within the billing period is trending higher than normal, prior to the actual bill being delivered. Customers will also receive guidance on how they can adjust their energy use before the end of the billing period.

• The Company continues to sign up customers to receive a paperless bill (eBilling). These new eBilling notifications provide customers with personalized insights about their energy consumption, promotions for conservation & demand management programs, and promotion of the digital portal with self-service channels for customer convenience rather than calling the Contact Centre.

• The Bill Redesign initiative designed a modern and customer-friendly bill for Hydro One customers has helped reduce customer frustration with hard-to-read bills.

• The enhanced website and customer portal has provided seamless integration of Hydro One’s myAccount self-service portal with interactive access to energy usage information and energy savings recommendations based on energy usage patterns.

While these initiatives were launched in 2017, the Company is still completing work to drive customer awareness and education on the
many tools available to help them manage their account with us. Hydro One has seen good improvement with overall satisfaction due to many of these initiatives and believes the ongoing promotion of these programs will continue to benefit customers in 2018 and beyond.

Safety

- Public Safety

In April 2015, the Electrical Safety Authority (ESA) made recommendations to the OEB for a scorecard public safety measure that includes three main components: A) Public Awareness of Electrical Safety, B) Compliance with Ontario Regulation 22/04, and C) the Serious Electrical Incident Index. Components B and C were reported in previous years and results for Component A were tracked for the first time for fiscal 2015 performance.

  o Component A – Public Awareness of Electrical Safety

The Public Awareness survey is conducted every two years (not conducted in 2017) and is scheduled to be conducted in Q2, 2018. For years when a survey is not done (like 2017), the OEB repeats the result from the previous year. Therefore, for 2017 a value of 81 per cent (the value from 2016) is utilized.

  o Component B – Compliance with Ontario Regulation 22/04

Ontario Regulation 22/04 was introduced in early 2004 following recommendations from the ESA to ensure electrical safety and to track and report the safety records and compliance of electricity distributors. Distribution companies are required to submit declarations of compliance on the design, construction, and maintenance of distribution systems in accordance with the regulation, on an annual basis. An external auditor reviews and submits a final report along with a signed declaration of compliance by an officer of the Company. The performance target for compliance with Ontario Regulation 22/04 is for the distributor to be fully compliant, and is recorded as Compliant (C), Non-Compliant (NC), or Needs Improvement (NI). For 2017, the Company met the performance target, and received a Compliant (C) score. In 2016, an external audit identified two non-compliant issues that were corrected in 2017.

  o Component C – Serious Electrical Incident Index

For 2017, the ESA identified eight serious recordable electrical public incidents, resulting in an index value of 0.065 incidents per 1,000 km of line for Hydro One. The Company experienced three more incidents on its distribution system than the maximum allowable amount (five) defined by the ESA. Of the 8 incidents, 5 involved motor vehicle accidents, 1 involved a pole that broke, 1 involved a kite and 1
involved a tree that fell onto the lines (as it was being cut by a resident). The decreased number of incidents for 2017 was mainly attributable to the number of motor vehicle accidents (MVAs) compared to 2016 (five MVAs in 2017 vs. eight MVAs in 2016). Historically, MVAs represent a significant proportion of the number of recordable electrical public incidents on the Company’s distribution system (63 per cent in 2017, 73 per cent in 2016; 80 per cent in 2015; 25 per cent in 2014; and 29 per cent in 2013).

The Serious Electrical Incident Index was designed to track and help improve public electrical safety on the distribution network over time. A distributor and any of its contractors or operators are required to report to the ESA any serious electrical incident involving members of the general public to the ESA within 48 hours. A serious electrical incident is defined as any electrical contact or any fire or explosion that caused or has the potential to cause, critical injury or death in any part of the distribution system operating at greater than 750 Volts (except as caused by lightning strikes).

### System Reliability

- **Average Number of Hours that Power to a Customer is Interrupted**

  For 2017, Hydro One reported an average outage duration of 7.95 hours, which represents an increase of 0.12 hours from 2016. This slight increase is mainly due to the storms in the months of July, August, September, October and December of 2017. The deteriorating trend from 2013 to 2017 is mainly attributable to persistent problems with Tree Contacts and Equipment Failures. The metric represents the duration of interruptions, as the ratio of the total customer hours of interruption to the total number of customers served, and expressed as the average time in hours over the reporting period.

- **Average Number of Times that Power to a Customer is Interrupted**

  Frequency of customer outages was reported at 2.32 outages per customer in 2017, which is better than the 2.47 outages per customer in 2016. The 5-year trend showed Hydro One is improving in the prevention of customer outages due mainly to improvements in planned interruptions. For the above two metrics, the impact due to force majeure events and loss of supply are excluded.

### Asset Management

- **Distribution System Plan Implementation Progress**

  For 2017, the Company exceeded its planned investments in the system by 3 per cent due to higher than planned volumes of customer-driven work including more subdivision connections, customer service upgrades and the advancement of the Distribution line feeding the
Leamington TS due to increased demand load in the surrounding area. Sustainment work on Distribution Stations and Lines was maintained at planned levels.

Established in 2013 by the OEB, the Distribution System Plan (DSP) implementation progress is a distributor-defined performance metric. Hydro One’s DSP outlines the Company’s forecasted capital expenditures over the next five years, required to maintain and expand the electricity system to serve current and future customers. Progress is measured as the ratio of actual total in-service capital expenditures made in a calendar year to the total amount of planned in-service capital expenditures for the same year.

Cost Control

- **Efficiency Assessment**
  Cost control metrics are evaluated on behalf of the OEB by an independent party, the Pacific Economics Group LLC (PEG). The PEG study segments electrical distributors into five groups based on a benchmarking evaluation of cost efficiency as measured by the difference between actual costs and PEG’s prediction of costs. Group 1 distributors are considered most efficient, with actual costs 25 per cent or more below predicted costs. Group 5 distributors are considered least efficient, according to the PEG methodology, with actual costs 25 per cent or more above predicted costs. For 2017, Hydro One was evaluated by PEG to be 17.4 per cent above the predicted cost and therefore remained in Group 4 – as it was in 2016. Group 4 is made up of those utilities with actual costs between 10 and 25 per cent above predicted costs.

- **Total Cost per Customer**
  In 2017, Hydro One’s annual cost performance improvement represented a reduction of 1.3 per cent on total cost per customer, representing a reduction in cost of $13 per customer from last year. This was largely a result of lower Operations, Management, & Administration (OM&A) expenditures related to the work programs, lower vegetation management costs due to the implementation of the optimal cycle protocol and lower Capital expenditures in sustainment. The total cost per customer is defined as the total Capital and OM&A costs, divided by the total number of customers served. This includes certain adjustments prescribed by the PEG methodology.

- **Total Cost per km of Line**
  In 2017, Hydro One achieved a reduction of 1.0 per cent for Total Cost per kilometer of line, representing a reduction in cost of $107 per kilometer from 2016. This was largely attributable to the lower OM&A expenditures noted above. The total cost per kilometre of line is
defined as the total Capital and OM&A costs, divided by the total number of kilometres of line operated to serve customers, along with certain PEG prescribed adjustments.

Conservation & Demand Management

- **Net Cumulative Energy Savings (Per cent of target achieved)**

  The Conservation & Demand Management team delivers the Conservation First Framework for the period 2015-2020 under a directive issued by the Minister of Energy on March 31, 2014. Hydro One’s approved CDM Plan outlines annual milestones in order to reach a target of 1,220.69 GWh of net energy savings by December 31, 2020. This target includes utilities acquired by Hydro One. As of the mid-term point of the framework, Hydro One has achieved verified energy savings of 987 GWh, 81 per cent of its total 2020 energy savings goal, exceeding the mid-term (end of 2017) target by 376 GWh. To date, Hydro One has spent 38 per cent of its allocated funding so the program has been very effective in capitalizing on opportunities. On a go forward basis, it is anticipated that a number programs will come on stream that are an important factor in meeting the 2020 target but are comparatively less cost effective and will ultimately result in a closer alignment between forecast cost and completion.

Connection of Renewable Generation

- **Renewable Generation Connection Impact Assessments Completed on Time**

  For 2017, the Company completed 99.71 per cent of the Connection Impact Assessments (CIAs) received, on time (within 60 days from the date the CIA is received). Two out of 881 connections were not on time. A CIA is used to assess the impact of a new connection on the distribution system and is applicable to facilities that are greater than 10 kW.

- **New Micro-embedded Generation Facilities Connected On Time**

  For 2017 and for the fifth consecutive year, the Company exceeded the industry target achieving a 99.77 per cent on-time rate for connecting new micro-embedded generation facilities (less than 10 kW) on time. As defined in the DSC, the metric measures the Company’s success in connecting micro-embedded generation facilities within five business days, setting an industry target of 90 per cent.

Financial Ratios

The basis for these financial ratios is the Company’s Distribution Business Financial Statements December 31, 2017, filed with the OEB
under the Electricity Recording & Record-Keeping Requirements (RRR) submission.

- **Liquidity: Current Ratio (Current Assets/Current Liabilities)**
  For 2017, the current ratio was reported as 0.55, which is lower than the 0.80 reported in 2016. The result indicates that for every one dollar of debt due within the year, the Company had $0.55 in cash or cash equivalents on-hand to cover the obligations. The reduced liquidity in 2017 was attributable to a reduction in Accounts Receivable and increased debt (Inter-company and payable within one year).

- **Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio**
  The debt-to-equity ratio is a measure of the Company's financial leverage and serves to identify the ability to finance assets and fulfill obligations to creditors. The OEB-deemed capital structure is 60 per cent to 40 per cent debt-to-equity structure (a ratio of 1.5). For 2017, the Company’s debt-to-equity ratio was 1.39 compared to 1.46 in 2016.

- **Profitability: Regulatory Return on Equity – Deemed (included in rates)**
  Hydro One’s deemed regulatory return on equity (ROE) for 2017 was 8.78 per cent compared to 9.19 per cent in 2016.

- **Profitability: Regulatory Return on Equity – Achieved**
  For the year 2017, the Company achieved a regulatory return on equity of 7.94 per cent for its Distribution business, compared to 8.41 per cent in 2016. This represents a decrease of about 0.47 per cent compared to 2016, and 0.84 per cent lower than the deemed ROE for the year. The results were attributable to lower net income and higher rate base compared to the deemed values. While OM&A costs were lower than deemed values, this was offset by lower revenues and a higher interest expense amount attributable to a higher total rate base.
Note to Readers of 2017 (fiscal YE) Scorecard MD&A

The information provided by distributors on their future performance (or what can be construed as forward-looking information) may be subject to a number of risks, uncertainties and other factors that may cause actual events, conditions or results to differ materially from historical results or those contemplated by the distributor regarding their future performance. Some of the factors that could cause such differences include legislative or regulatory developments, financial market conditions, general economic conditions and the weather. For these reasons, the information on future performance is intended to be management’s best judgement on the reporting date of the performance scorecard, and could be markedly different in the future.

FORWARD-LOOKING STATEMENTS AND INFORMATION

Words such as “expect,” “anticipate,” “intend,” “attempt,” “may,” “plan,” “will,” “can”, “believe,” “seek,” “estimate,” and variations of such words and similar expressions are intended to identify such forward-looking statements. These statements are not guarantees of future performance and involve assumptions and risks and uncertainties that are difficult to predict. Some of the factors that could cause such differences include legislative or regulatory developments, an unexpected increase in call centre volumes, financial market conditions, general economic conditions and the weather. We do not intend, and we disclaim any obligation to update any forward-looking statements, except as required by law.