<table>
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</thead>
<tbody>
<tr>
<td>Customer Focus</td>
<td>Service Quality</td>
<td>New Residential/Small Business Services Connected on Time</td>
<td>97.40%</td>
<td>97.50%</td>
<td>98.60%</td>
<td>98.06%</td>
<td>99.32%</td>
<td>⤵️</td>
<td>90.00%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Scheduled Appointments Met On Time</td>
<td>99.30%</td>
<td>98.50%</td>
<td>99.50%</td>
<td>98.94%</td>
<td>99.95%</td>
<td>⤵️</td>
<td>90.00%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Telephone Calls Answered On Time</td>
<td>69.60%</td>
<td>76.40%</td>
<td>74.20%</td>
<td>81.85%</td>
<td>78.05%</td>
<td>⤵️</td>
<td>65.00%</td>
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<tr>
<td>Customer Satisfaction</td>
<td>Service Quality</td>
<td>First Contact Resolution</td>
<td>79%</td>
<td>82%</td>
<td>82%</td>
<td>85%</td>
<td>87%</td>
<td>⤵️</td>
<td>98.00%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Billing Accuracy</td>
<td>94.63%</td>
<td>98.59%</td>
<td>99.04%</td>
<td>99.28%</td>
<td>99.43%</td>
<td>⤵️</td>
<td>98.00%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Customer Satisfaction Survey Results</td>
<td>85%</td>
<td>85%</td>
<td>84%</td>
<td>85%</td>
<td>86%</td>
<td>⤵️</td>
<td>98.00%</td>
</tr>
<tr>
<td>Safety</td>
<td>Safety</td>
<td>Level of Public Awareness</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>⤵️</td>
<td>99.43%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Level of Compliance with Ontario Regulation 22/04 ¹</td>
<td>NI</td>
<td>C</td>
<td>NI</td>
<td>C</td>
<td>C</td>
<td>⤵️</td>
<td>C</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Serious Electrical Incident Index</td>
<td>4</td>
<td>5</td>
<td>11</td>
<td>8</td>
<td>11</td>
<td>⤵️</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Rate per 100, 1000 km of line</td>
<td>0.033</td>
<td>0.042</td>
<td>0.091</td>
<td>0.065</td>
<td>0.090</td>
<td>⤵️</td>
<td>0.041</td>
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<tr>
<td>System Reliability</td>
<td>Safety</td>
<td>Average Number of Hours that Power to a Customer is Interrupted ²</td>
<td>7.49</td>
<td>7.65</td>
<td>7.83</td>
<td>7.95</td>
<td>6.82</td>
<td>⤵️</td>
<td>7.56</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Average Number of Times that Power to a Customer is Interrupted ²</td>
<td>2.70</td>
<td>2.63</td>
<td>2.47</td>
<td>2.32</td>
<td>2.21</td>
<td>⤵️</td>
<td>2.52</td>
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<tr>
<td>Asset Management</td>
<td>Safety</td>
<td>Distribution System Plan Implementation Progress</td>
<td>97%</td>
<td>116%</td>
<td>105%</td>
<td>103%</td>
<td>97.93%</td>
<td>⤵️</td>
<td>100%</td>
</tr>
<tr>
<td>Cost Control</td>
<td>Safety</td>
<td>Efficiency Assessment</td>
<td>5</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>⤵️</td>
<td>5</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Cost per Customer ³</td>
<td>$1,069</td>
<td>$983</td>
<td>$987</td>
<td>$974</td>
<td>$1,022</td>
<td>⤵️</td>
<td>$1,220.70 GWh</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Total Cost per Km of Line ³</td>
<td>$10,916</td>
<td>$10,198</td>
<td>$10,551</td>
<td>$10,444</td>
<td>$11,069</td>
<td>⤵️</td>
<td>$11,069</td>
</tr>
<tr>
<td>Financial Performance</td>
<td>Safety</td>
<td>Net Cumulative Energy Savings 4</td>
<td>17.27%</td>
<td>42.50%</td>
<td>80.83%</td>
<td>98.00%</td>
<td>⤵️</td>
<td>100.00%</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Connection of Renewable Generation</td>
<td>Renewable Generation Connection Impact Assessments Completed On Time</td>
<td>100.00%</td>
<td>100.00%</td>
<td>100.00%</td>
<td>99.71%</td>
<td>100.00%</td>
<td>⤵️</td>
<td>99.45%</td>
</tr>
<tr>
<td></td>
<td>Connection of Renewable Generation</td>
<td>New Micro-embedded Generation Facilities Connected On Time</td>
<td>100.00%</td>
<td>99.78%</td>
<td>99.22%</td>
<td>99.77%</td>
<td>99.45%</td>
<td>⤵️</td>
<td>96.12%</td>
</tr>
<tr>
<td></td>
<td>Connection of Renewable Generation</td>
<td>Percentage of the Actual Year in the Plan for 2018</td>
<td>80.83%</td>
<td>98.00%</td>
<td>99.45%</td>
<td>96.12%</td>
<td>99.45%</td>
<td>⤵️</td>
<td>99.45%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>9.66%</td>
<td>9.30%</td>
<td>9.19%</td>
<td>8.78%</td>
<td>8.78%</td>
<td>8.78%</td>
<td>⤵️</td>
<td>9.66%</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Return on Equity</td>
<td>6.26%</td>
<td>8.77%</td>
<td>8.41%</td>
<td>7.94%</td>
<td>8.07%</td>
<td>⤵️</td>
<td>9.66%</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.

Legend:
- ⤵️: 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.
- ⬆️: Target met
- ⤿: Target not met
- flat: 5-year trend
Fiscal 2018 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 2018 Scorecard MD&A:

http://www.ontarioenergyboard.ca/OEB/_Documents/scorecard/Scorecard_Performance_Measure_Descriptions.pdf

**Scorecard MD&A - General Overview**

Hydro One Networks Inc.’s (referred to as “the Company” or “Hydro One”) Fiscal 2018 performance has met or was better than the Targets noted in the OEB Distribution Scorecard in all areas except for the “Serious Electrical Incident Index” ("Number of General Public Incidents" and "Rate per 10, 100, 1000 km of line").
Service Quality

- **New Residential/Small Business Services Connected on Time**
  In 2018, Hydro One processed 17,779 new connection requests for residential and small business low-voltage customers (those with service less than 750 Volts). Of these, 99.32% were completed within five business days (or as otherwise agreed to by the customer and the distributor), better than the industry target of 90% for the sixth consecutive year. The Company’s steady improvement over the past five years is attributable mainly to strong customer-focused business processes, improvements in scheduling practices, and focus on achievement of an internal target of 98%.

- **Scheduled Appointments Met On Time**
  Hydro One scheduled 32,262 appointments in 2018. The Company recorded a 99.95% success rate in meeting these commitments, better than the industry target of 90% for the sixth consecutive year. The result for 2018 represents an increase of about 1.01% compared to last year. The Company’s performance in appointment scheduling has benefited from the same factors that 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 otherwise agreed to by the customer and the distributor). If customer presence is required, the distributor must commit to, and arrive within a four-hour window for the appointment. If customer presence is not required, the distributor must arrive on the scheduled date.

- **Telephone Calls Answered On Time**
  The Company continues to invest in customer satisfaction. The OEB’s Distribution System Code (DSC) requires call centre staff to answer calls within 30 seconds, 65% of the time, whenever the customer reaches an agent either directly or by means of a transfer.
  Hydro One’s call centre handled a total of about 2.5M phone calls from customers in 2018. Of this total, over 1.1M phone calls were handled by agents and over 1.3M calls were managed by the Company’s Interactive Voice Response system. In 2018, the Company answered 78.0% of calls within 30 seconds, exceeding the industry target by 13%, despite the fact that call centre agents handled approximately 12% more outage calls than in the previous year.
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 2018, 87% of issues were resolved during our first contact with the customer, a record high for Hydro One. This is an increase of 2% compared to last year and is better than the Company's internal target of 85%. Since insourcing the Contact Centre in March 2018, our agents have been empowered to provide better customer service and this has contributed to record First Call Resolution results for 2018.

- **Billing Accuracy**
  In 2018, the Company issued 13,070,034 bills and achieved a 99.4% TOU billing accuracy, exceeding the industry target by 1.4%. Compared to 2017, the Company issued 243,410 additional bills in 2018 and improved the billing accuracy by 0.12% year-over-year. The improvement in billing accuracy is attributable mainly to ongoing business process optimization and a continued focus on addressing smart meters that do not meet the necessary quality levels. The increase in the number of bills issued compared to last year was driven by customer growth.

- **Customer Satisfaction Survey Results**
  Customer satisfaction remained relatively steady at 86% in 2018. 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 and Distribution Generator Percent of Milestones Met. The ongoing education and awareness of major initiatives that have been implemented over that last couple of years, including: eBilling, bill redesign, and enhancements made to the HydroOne.com website and customer portal, are all contributing to these results.

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 made under the
Electricity Act, 1998, 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.

- **Component A – Public Awareness of Electrical Safety**
  For 2018, a value of 80% was realized. The change from 2017 was not meaningful. The Public Awareness survey is conducted every two years (conducted in 2018).

- **Component B – Compliance with Ontario Regulation 22/04**
  Ontario Regulation 22/04 was introduced in early 2004 following recommendations from the ESA to enhance electrical safety for the people of Ontario. The Regulation sets the basis for the requirements for the safe operation of the distribution system in Ontario. Distribution companies are required to be audited yearly on the design, construction, and maintenance of distribution systems in accordance with the Regulation. An external auditor performs the audit. A final report, along with a signed declaration of compliance to the regulation for all sections that are not covered by the audit, is provided to the ESA. The performance target for compliance with the Regulation is for the distributor to be fully compliant, and is recorded as Compliant (C), Non-Compliant (NC), or Needs Improvement (NI). For 2018, the Company met the performance target and received a Compliant (C) score.

- **Component C – Serious Electrical Incident Index**
  The Serious Electrical Incident Index was designed to track and help improve public electrical safety on the distribution network over time. A distributor and its contractors and operators are required to report to the ESA, within 48 hours, any serious electrical incident involving members of the general public. 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).

  For 2018, the ESA identified 11 incidents that met the serious electrical incident criteria (actual or potential electrical contact). Of the 11 incidents, one resulted in a fatal contact with a transformer after a break-in. All other incidents had the potential for electrical contact by members of the public (as deemed by ESA). The company experienced six more incidents on the distribution system than the maximum set by the ESA (five). Of the 11 incidents, six involved motor vehicle collisions with distribution poles/guy wires, two involved trees being cut by members of the public onto our lines, one involved a sailboat contacting overhead lines, one involved a distribution station break-in (fatal contact) and one involved a wind surfing kite blowing into a distribution transformer.
The increase compared to 2017 was due to a motor vehicle collision (six compared to five in 2017), a tree felling incident (two compared to one in 2017), a sailboat contacting overhead lines and a station break-in. Over the last four years, motor vehicle collisions represent the largest contributor to the company’s serious electrical incidents on the distribution system (55% in 2018, 63% in 2017, 73% in 2016, and 80% in 2015).

### System Reliability

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

For 2018, Hydro One reported an average outage duration of 6.82 hours, which represents a 14.2% improvement from 2017 (7.95 hours). This decrease is due largely to (i) our new optimal cycle protocol vegetation management program that helps to reduce power interruptions caused by trees coming into contact with power lines by focusing on trimming problem trees every three years vs. every 10 years as was previously the case; (ii) ongoing grid modernization and system renewal to address deteriorated and aging infrastructure that includes deploying new automation and monitoring technologies to allow Hydro One to remotely monitor and restore power more quickly to reduce the impact of outages and improve restoration times; and (iii) continuous improvement in planned outages and storm response restoration times through better planning, coordination and system oversight. The metric represents the average duration of customer interruptions, as the ratio of 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**

The frequency of customer outages was reported at 2.21 outages per customer in 2018, which is 4.7% better than the 2.32 outages experienced per customer in 2017, due to the same three reasons as above. This metric represents the average frequency of customer interruptions, as the ratio of total number of customer interruptions to the total number of customers served and expressed as the average number of customer interruptions over the reporting period. For the above two metrics, the impact due to force majeure events and loss of supply events is excluded.

### Asset Management

**Distribution System Plan Implementation Progress**

Established by the OEB in 2013, 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.

At year-end 2018, Distribution in-service additions were $628M compared to a scorecard target of $641M which was within 2% of target. This outcome was realized through a concerted effort to manage the in-year budget against various factors such as more storms than forecasted and a large opening work-in-progress balance. Large in-service items in 2018 include Storm Damage Restoration, Residential and Subdivision Expansions, Wood Pole Replacements and the Distribution Modernization Project.

### 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 actual costs vs. the prediction of costs from PEG’s econometric model. Group 1 distributors are considered most efficient, with actual costs 25% or more below predicted costs. Group 5 distributors are considered least efficient, according to the PEG methodology, with actual costs 25% or more above predicted costs. For 2018, Hydro One was evaluated by PEG and remained in Group 4 – as it was in 2017 and 2016. Group 4 compromises those utilities with actual costs between 10 and 25% above predicted costs.

- **Total Cost per Customer**

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. In 2018, Hydro One’s annual Total Cost per Customer increased by 5.0% (or +$48 per customer) from 2017. The OM&A portion of cost per customer was up slightly (0.4%) due mainly to higher spend on vegetation management, and increased emergency calls offset in part by lower storm restoration and IT costs. The Capital portion of the measure increased by 5.7%, according to the PEG model, due to replacement of aging infrastructure and an increase in general interest rates from 2017 to 2018. The increase in costs was offset in part by a 1.0% increase in the number of customers.

- **Total Cost per km of Line**

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. In 2018, Hydro One’s Total Cost per kilometer of line increased 6.0% (or +$625 per kilometre) from 2017. The changes in cost are the same as with the Cost per Customer (see above) but the number of kilometres of line was virtually unchanged year over year.

## Conservation & Demand Management

- **Net Cumulative Energy Savings (% of target achieved)**

Over the past several years, Hydro One has been offering a variety of Conservation and Demand Management programs to residential, small business, low-income, First Nations, commercial, and industrial customers to save energy and lower their bill. Most recently, Hydro One was operating under the Conservation First Framework which began in 2015 and was expected to end in 2020.

On March 21, 2019, the Ministry of Energy, Northern Development and Mines issued directives to the IESO cancelling the 2015-2020 Conservation First Framework and directing the IESO to implement an interim Conservation and Demand Management Framework as of April 1 to continue until the end of 2020. The interim framework eliminates a number of the energy-efficiency programs and makes the IESO accountable to centrally deliver the remaining energy-efficiency programs on a province-wide basis with a focus on business and industrial programs beginning on April 1, 2019. As a direct result of these changes, there is no longer a mandated Energy Savings target for Local Distribution Companies.

## Connection of Renewable Generation

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

For 2018, the Company completed 100% of the Connection Impact Assessments (CIAs) received, on time (within 60 days from the date the CIA is received). 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 2018, for the sixth consecutive year, the Company exceeded the industry target achieving a 99.45% 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%.
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)**
  The current ratio for 2018 is reported as 0.50, which is lower than the 0.55 reported in 2017. The result indicates that for every dollar of debt due within the year, the Company had $0.50 in cash or cash equivalents on-hand to cover the obligations. The reduced liquidity in 2018 is attributable primarily to a reduction in Accounts Receivable and an increase in Accrued Liabilities.

- **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% debt to 40% equity structure (a ratio of 1.5). For 2018, the Company’s debt-to-equity ratio is 1.44, compared to 1.39 in 2017. The increase in the debt-to-equity ratio for 2018 is attributable to an increase in long-term debt.

- **Profitability: Regulatory Return on Equity – Deemed (included in rates)**
  Hydro One’s deemed regulatory return on equity (ROE) for 2018 is 8.78%, consistent with 2017.

- **Profitability: Regulatory Return on Equity – Achieved**
  For the year 2018, the Company achieved a regulatory return on equity of 8.07% for its Distribution business, compared to 7.94% in 2017. This represents an increase of 0.13% compared to 2017. This increase was due to an overall increase in Net Income, driven primarily by higher revenues, offset by an increase in rate base. Note that, upon approval of the draft rate order of EB-2017-0049 on June 11, 2019, additional 2018 revenues were recognized in 2019.

  The 2018 ROE was 0.71% lower than the deemed ROE of 8.78%. This shortfall was due to Net Income being lower than forecasted by 8.4%, driven mainly by higher than expected OM&A and Income Tax, offset by higher than forecast revenue.
Note to Readers of Fiscal 2018 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.

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, government policy and program developments an unexpected increase in call centre volumes, financial market conditions, general economic conditions and the weather. For these reasons, the information on future performance is intended to be management’s best judgment on the reporting date of the performance scorecard, and could be markedly different in the future. We do not intend, and we disclaim any obligation to update any forward-looking statements, except as required by law.