### Scorecard - Hydro One Networks Inc.

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<tbody>
<tr>
<td><strong>Customer Focus</strong></td>
<td>Services are provided in a manner that responds to identified customer preferences.</td>
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<tr>
<td><strong>Service Quality</strong></td>
<td>New Residential/Small Business Services Connected on Time</td>
<td>97.50%</td>
<td>98.60%</td>
<td>98.06%</td>
<td>99.32%</td>
<td>99.81%</td>
<td></td>
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<td>90.00%</td>
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<tr>
<td></td>
<td>Scheduled Appointments Met On Time</td>
<td>98.50%</td>
<td>99.50%</td>
<td>98.94%</td>
<td>99.95%</td>
<td>100.00%</td>
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<td>90.00%</td>
</tr>
<tr>
<td></td>
<td>Telephone Calls Answered On Time</td>
<td>76.40%</td>
<td>74.20%</td>
<td>81.85%</td>
<td>78.05%</td>
<td>76.83%</td>
<td></td>
<td></td>
<td>65.00%</td>
</tr>
<tr>
<td><strong>Customer Satisfaction</strong></td>
<td>First Contact Resolution</td>
<td>82%</td>
<td>82%</td>
<td>85%</td>
<td>87%</td>
<td>85%</td>
<td></td>
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<tr>
<td></td>
<td>Billing Accuracy</td>
<td>98.59%</td>
<td>99.04%</td>
<td>99.28%</td>
<td>99.43%</td>
<td>99.41%</td>
<td></td>
<td></td>
<td>98.00%</td>
</tr>
<tr>
<td></td>
<td>Customer Satisfaction Survey Results</td>
<td>85%</td>
<td>84%</td>
<td>85%</td>
<td>86%</td>
<td>84%</td>
<td></td>
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<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>80.00%</td>
<td>80.00%</td>
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<tr>
<td></td>
<td>Level of Compliance with Ontario Regulation 22/04</td>
<td></td>
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<tr>
<td></td>
<td>Serious Electrical Incident Index</td>
<td>Rate per 100, 1000 km of line</td>
<td>0.042</td>
<td>0.091</td>
<td>0.065</td>
<td>0.090</td>
<td>0.146</td>
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<tr>
<td><strong>System Reliability</strong></td>
<td>Average Number of Hours that Power to a Customer is Interrupted</td>
<td>7.65</td>
<td>7.83</td>
<td>7.95</td>
<td>6.82</td>
<td>7.04</td>
<td></td>
<td></td>
<td>7.56</td>
</tr>
<tr>
<td></td>
<td>Average Number of Times that Power to a Customer is Interrupted</td>
<td>2.63</td>
<td>2.47</td>
<td>2.32</td>
<td>2.21</td>
<td>2.50</td>
<td></td>
<td></td>
<td>2.52</td>
</tr>
<tr>
<td><strong>Asset Management</strong></td>
<td>Distribution System Plan Implementation Progress</td>
<td>116%</td>
<td>105%</td>
<td>103%</td>
<td>97.93%</td>
<td>106.6%</td>
<td></td>
<td></td>
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</tr>
<tr>
<td><strong>Cost Control</strong></td>
<td>Efficiency Assessment</td>
<td>5</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td>4</td>
<td></td>
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<tr>
<td></td>
<td>Total Cost per Customer</td>
<td>$983</td>
<td>$987</td>
<td>$974</td>
<td>$1,022</td>
<td>$1,051</td>
<td></td>
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<tr>
<td></td>
<td>Total Cost per Km of Line</td>
<td>$10,198</td>
<td>$10,551</td>
<td>$10,444</td>
<td>$11,069</td>
<td>$11,472</td>
<td></td>
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<tr>
<td><strong>Public Policy Responsiveness</strong></td>
<td>Net Cumulative Energy Savings</td>
<td>17.27%</td>
<td>42.50%</td>
<td>80.83%</td>
<td>98.00%</td>
<td>114.00%</td>
<td></td>
<td></td>
<td>1,220.70 GWh</td>
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<tr>
<td></td>
<td>Renewable Generation Connection Impact Assessments Completed On Time</td>
<td>100.00%</td>
<td>100.00%</td>
<td>99.71%</td>
<td>100.00%</td>
<td>100.00%</td>
<td></td>
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<tr>
<td></td>
<td>New Micro-embedded Generation Facilities Connected On Time</td>
<td>99.78%</td>
<td>99.22%</td>
<td>99.77%</td>
<td>99.45%</td>
<td>96.43%</td>
<td></td>
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<td>90.00%</td>
</tr>
<tr>
<td><strong>Financial Performance</strong></td>
<td>Liquidity: Current Ratio (Current Assets/Current Liabilities)</td>
<td>0.97</td>
<td>0.80</td>
<td>0.55</td>
<td>0.50</td>
<td>0.62</td>
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<td></td>
<td>Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio</td>
<td>1.19</td>
<td>1.46</td>
<td>1.39</td>
<td>1.44</td>
<td>1.61</td>
<td></td>
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<tr>
<td></td>
<td>Profitability: Regulatory Deemed (included in rates)</td>
<td>9.30%</td>
<td>9.19%</td>
<td>8.78%</td>
<td>9.00%</td>
<td>9.00%</td>
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<tr>
<td></td>
<td>Return on Equity Achieved</td>
<td>8.77%</td>
<td>8.41%</td>
<td>7.94%</td>
<td>8.07%</td>
<td>10.90%</td>
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</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 now discontinued 2015-2020 Conservation First Framework. 2019 results include savings reported to the IESO up until the end of February 2020.

Legend:
- **5-year trend**: 5-year trend
- **Current year**: Current year
- **up**: up
- **down**: down
- **flat**: flat
- **target met**: target met
- **target not met**: target not met
Fiscal 2019 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 2019 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 distribution business (referred to as “the Business” or “Hydro One’s Distribution Business”) Fiscal 2019 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 2019, Hydro One’s Distribution Business processed 14,131 new connection requests for residential and small business low-voltage customers (those with service less than 750 Volts). Of these, 99.8% 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 seventh consecutive year. The Business’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’s Distribution Business scheduled 31,564 appointments in 2019. The Business recorded a 100% success rate in meeting these commitments, better than the industry target of 90% for the seventh consecutive year. The result for 2019 represents an increase compared to last year. The Business’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 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. In 2019, the Business answered 76.8% of calls within 30 seconds, exceeding the industry target by 11.8%. The call centre handled a total of about 1.9 million phone calls from customers in 2019. Of this total, over eight hundred thousand phone calls were handled by agents and over one million calls were managed by the Business’s Interactive Voice Response system.
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’s Distribution Business measures FCR based on transactional surveys that are performed within five days of our interaction with the customer. In 2019, 85% of issues were resolved during our first contact with the customer.

- **Billing Accuracy**
  In 2019, the Business issued 13,275,218 bills and achieved a 99.4% Time Of Use billing accuracy, exceeding the industry target by 1.4%. Compared to 2018, the Business issued 205,184 additional bills in 2019 with consistent billing accuracy year-over-year. The strong billing accuracy results are attributable 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 high at 84% in 2019. Hydro One’s Distribution Business 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 the last several years, including: eBilling, bill redesign, and enhancements made to the HydroOne.com website and customer portal, have contributed 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 2019, a value of 80% was realized. This is consistent with 2018. The Public Awareness survey is conducted every two years
(conducted in 2018 and slated again for 2020).

- **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 by the external auditor, along with a signed declaration of compliance to the regulation by an officer of the company 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 2019, the Business met the performance target and received a Compliant (C) score from the ESA.

- **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 2019, the ESA identified 18 incidents that met the serious electrical incident criteria (actual or potential electrical contact). Of the 18 incidents, 16 of those were motor vehicle accidents, 1 was a non-fatal contact with a downed power line and 1 was a customer who felled a tree onto a Hydro One line.

The increase compared to 2018 (when there were 11 incidents reported) was due to an increase in motor vehicle collisions. Over the last four years, motor vehicle collisions represented the largest contributor to the Business’s serious electrical incidents on the distribution system (89% in 2019, 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**¹

For 2019, Hydro One’s Distribution Business reported an average outage duration of 7.0 hours, which is 0.2 hours worse than 2018 (6.8 hours) but better than the OEB target of 7.6 hours. The performance over the target 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 the Business 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**¹

The frequency of customer outages was reported at 2.5 outages per customer in 2019. This is 0.3 outages worse than the 2.2 outages experienced per customer in 2018 and equal to the OEB target of 2.5. The performance is in line with the target largely 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 impacts due to force majeure events and loss of supply events are excluded.

¹ Note: The distributor specific target for Hydro One’s Distribution Business is located on the OEB Scorecard and is based on the currently approved Distribution System Plan.
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 Distribution Business’s DSP outlines the Business’s forecasted capital expenditures over the next five years, required to maintain and expand 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 2019, distribution in-service additions were $593.2M compared to a scorecard target of $556.5M which was just over 6% of target.

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 2019, Hydro One’s Distribution Business was evaluated by PEG and remained in Group 4 – as it was in 2018, 2017 and 2016. Group 4 comprises 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 Operations Maintenance & Administration (OM&A) costs, divided by the total number of customers served. This includes certain adjustments prescribed by the PEG methodology. In 2019, the Business’s annual Total Cost per Customer increased by 2.8% (or +$29 per customer) from 2018. The OM&A portion of cost per customer was up slightly (0.6%) due mainly to higher volume of work on vegetation management coverage and increased emergency calls, partially offset by lower corporate support costs and lower costs due to repatriation of the call centre which resulted in operational improvements. The capital portion of the measure increased by 5.4%, due to timing of investments in distribution system connections (Leamington and Enfield transmission stations) and increased investment in distribution modernization initiatives, higher volume of new connections and higher volume of lines and station refurbishments and replacements, partially offset by lower volume of storm-related asset replacements. The increases in costs were offset, in part, by a 0.8% 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 2019, the Business’s Total Cost per kilometer of line increased 3.6% (or +$403 per kilometre) from 2018. 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.

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**Conservation & Demand Management**

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

  Over the past several years, Hydro One’s Distribution Business has been offering Conservation and Demand Management (CDM) programs to residential, small business, low-income, First Nations, commercial, and industrial customers to save energy, save money on electricity bills and make a lasting contribution to reducing long-term energy costs. Most recently, the Business was operating under the Conservation First Framework (CFF) which began in 2015 and commencing in March 2019, will be winding down until mid-2021.

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**Connection of Renewable Generation**

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

  The Business completed 100% of the Connection Impact Assessments (CIAs) on time (within 60 days from the date the CIA is received) in 2019. 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**

  This metric measures the Business’s success in connecting micro-embedded generation facilities (10kW or less) 90% of the time within a five-business day window, or at such later date as agreed to by a micro-embedded generator and the distributor, of the generator informing the distributor that it has satisfied all applicable service conditions and received all necessary approvals, as per sections 6.2.7 and 6.2.7A of the DSC. The Business exceeded the industry target for the seventh consecutive year, achieving a 96.4% on-time rate for connecting new micro-embedded generation facilities on time.
Financial Ratios

The basis for these financial ratios is Hydro One’s Distribution Business Financial Statements December 31, 2019, filed with the OEB under the Electricity Recording & Record-Keeping Requirements (RRR) submission.

- **Liquidity: Current Ratio (Current Assets/Current Liabilities)**
  The current ratio for 2019 is reported as 0.62, which is higher than the 0.50 reported in 2018. The result indicates that for every dollar of debt due within the year, the Business had $0.62 in cash or cash equivalents on-hand to cover the obligations. The increased liquidity in 2019 is attributable primarily to an increase in amounts due from related parties and other current assets.

- **Leverage: Total Debt (includes short-term and long-term debt) to Equity Ratio**
  The debt-to-equity ratio is a measure of the Business’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. For 2019, the Business’s debt-to-equity ratio is 1.61, compared to 1.44 in 2018. The increase in the debt-to-equity ratio for 2019 is attributable to an increase in long-term debt.

- **Profitability: Regulatory Return on Equity – Deemed (included in rates)**
  Hydro One’s Distribution Business deemed regulatory return on equity (ROE) for 2019 is 9.00%, as approved by the OEB.

- **Profitability: Regulatory Return on Equity – Achieved**
  For the year 2019, the Business achieved a regulatory return on equity of 10.90%, compared to 8.07% in 2018. This represents an increase of 2.83% compared to 2018. This increase was due to an overall increase in net income, driven primarily by higher revenues.

  The 2019 ROE was 1.90% higher than the deemed ROE of 9.00%. This difference is primarily due to more favourable weather experienced during the year than anticipated and lower removal costs, partially offset by increased OM&A expenses. After application of the OEB approved earnings sharing mechanism, the Business will share $20.18M with ratepayers which reduced the 2019 ROE from 10.90% to 10.45%.
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 and information. Such statements include, but are not limited to, references to ongoing optimization of business processes, ongoing grid modernization, system renewals, continuous improvement relating to outages and response restoration times, the reduction of energy costs, and industry and internal targets. 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.