Hydro One Limited
Initial Public Offering of Common Shares by way of Secondary Offering
Term Sheet **October 9, 2015**

An amended and restated preliminary base PREP prospectus containing important information relating to the securities described in this term sheet has been filed with the securities regulatory authorities in each of the provinces and territories of Canada. A copy of the amended and restated preliminary base PREP prospectus, and any amendment thereto, is required to be delivered with this term sheet. The amended and restated preliminary base PREP prospectus is still subject to completion. There will not be any sale or any acceptance of an offer to buy the securities until a receipt for the final base PREP prospectus has been issued. This term sheet does not provide full disclosure of all material facts relating to the securities offered. Investors should read the amended and restated preliminary base PREP prospectus, the final base PREP prospectus, the supplemented PREP prospectus and any amendment thereto for disclosure of those facts, especially risk factors relating to the securities offered, before making an investment decision.

These securities have not been, and will not be, registered under the United States Securities Act of 1933, as amended, or any state securities laws, and accordingly will not be offered, sold or delivered, directly or indirectly within the United States of America, its possessions and other areas subject to its jurisdiction, except in limited circumstances. See "Plan of Distribution" in the amended and restated preliminary base PREP prospectus.

Capitalized terms used but not otherwise defined herein shall have the respective meaning ascribed thereto in the amended and restated preliminary base PREP prospectus.

Issuer:	Hydro One Limited.
Selling Shareholder:	The Province of Ontario (the "Province").
Offering:	81,100,000 common shares of Hydro One Limited to be sold by the Province (89,250,000 common shares if the Over-Allotment Option is exercised in full).
Offering Price:	$19.00 to $21.00 per common share.
Offering Size:	Approximately $1.54 to $1.70 billion, before giving effect to the Over-Allotment Option.
Over-Allotment Option:	The Province has granted to the Underwriters an Over-Allotment Option, exercisable, in whole or in part, at any time for a period of 30 days after the Closing Date, to purchase from the Province up to an additional 8,150,000 common shares at the offering price for the purpose of covering the Underwriters' over-allocation position, if any.
Common Shares Outstanding Following Closing:	Immediately following the closing of the offering and the other transactions contemplated by the amended and restated preliminary base PREP prospectus, 595,000,000 common shares will be issued and outstanding.
Common Shares Held by the Selling Shareholder Following Closing:	Immediately following the closing of the offering and the other transactions contemplated by the amended and restated preliminary base PREP prospectus, the Province will hold approximately ●% of Hydro One Limited's total issued and outstanding common shares (approximately ●% if the Over-Allotment Option is exercised in full).
Proceeds to the Selling Shareholder:	Hydro One Limited will not receive any proceeds from the offering. The net proceeds of the offering will be payable to the Selling Shareholder.
Dividend Policy:	The Board is expected to establish a dividend policy pursuant to which Hydro One Limited will pay a quarterly dividend, initially in the amount of $0.21 per common share. The first dividend from the period from Closing to March 17, 2016 is expected to be paid on or about March 31, 2016 to shareholders of record on March 17, 2016.

Lock-Up:	Hydro One Limited and the Selling Shareholder will be subject to a 180 day lock-up post-closing, subject to certain exemptions.
Listing:	Closing of the offering is conditional on the common shares being approved for listing on the TSX.
Eligibility for Investment:	Eligible for RRSPs, RESPs, RRIFs, RDSPs, TFSAs and DPSPs.
Offering Type:	Public offering under a long-form PREP prospectus filed in all provinces and territories of Canada, and on a private placement basis in the U.S. to qualified institutional buyers pursuant to Rule 144A under the United States Securities Act of 1933, as amended, and internationally as permitted pursuant to private placement exemptions under local securities laws.
Joint Global Coordinators:	RBC Capital Markets and Scotiabank.
Joint Bookrunners:	RBC Capital Markets, Scotiabank, BMO Capital Markets, CIBC, TD Securities.
Underwriting Fee:	1% on institutional placements; 3% on other placements.
Pricing:	Expected the week of October 26, 2015.
Closing:	Expected the week of November 2, 2015.

An investment in Hydro One Limited's common shares is subject to a number of risks that should be considered by a prospective purchaser. Under securities laws in certain jurisdictions, the statutory remedies of rescission or damages where the amended and restated preliminary base PREP prospectus contains a misrepresentation are not available against the Province, as selling shareholder. The commencement of actions and enforcement of remedies against the Province may also be subject to limitations. The Province will not provide any guarantee in respect of the common shares. Prospective purchasers should carefully consider the risk factors described under "Risk Factors" in the amended and restated preliminary base PREP prospectus before purchasing common shares.