

This pricing supplement, together with the short form base shelf prospectus dated April 14, 2020, as amended or supplemented, and each document incorporated by reference into the short form base shelf prospectus (collectively, the “Prospectus”) constitutes a public offering of these securities pursuant to the Prospectus only in the jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise.

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 may not be offered, sold, or delivered within the United States of America and its territories and possessions except in certain transactions exempt from the registration requirements of such Act.

PRICING SUPPLEMENT NO. 5 DATED SEPTEMBER 14, 2021

(to the short form base shelf prospectus dated April 14, 2020)

HYDRO ONE INC. SERIES 51 MEDIUM-TERM NOTES (unsecured)

ISIN No. CA 44810ZCH16

CUSIP No. 44810ZCH1

PRINCIPAL AMOUNT: \$450,000,000
(four hundred and fifty million dollars)

DENOMINATIONS (if other than Cdn. dollars or
Cdn. dollar denominations of Cdn. \$1,000): N/A

ISSUE PRICE: \$99.922 per \$100.00 principal amount

AGENTS' COMPENSATION: \$0.50 per \$100.00 principal amount

NET PROCEEDS TO HYDRO ONE INC. (the
“Company”): \$447,399,000

SPECIFIED CURRENCY:

Canadian Dollars

Yes

No

Foreign Currency:

Exchange Rate Agent:

ISSUE DATE: September 17, 2021

STATED MATURITY: September 15, 2051

INTEREST RATE: 3.10%

OFFERING YIELD: 3.104%

INTEREST PAYMENT DATE(S):

Each September 15 and March 15, commencing March 15, 2022. Payment of interest on March 15, 2022 will be in an amount equal to \$6,841,232.88 in aggregate and \$1.520273973 per \$100.00 principal amount (short first coupon) and interest payments will be in equal semi-annual amounts on each Interest Payment Date thereafter.

PAYMENT OF PRINCIPAL AND ANY
PREMIUM AND INTEREST:

Canadian Dollars

Specified Currency

RECORD DATE(S):

The second Business Day prior to such Interest Payment
Date

DAY COUNT CONVENTION:

30/360 for the period

from to

Actual /360 for the period

from to

Actual/Actual for the period

from September 17, 2021 to September 15, 2051

Other

OTHER PROVISIONS: See “Redemption” below. Terms used in this Pricing Supplement and not defined herein have the meaning given to such terms in the short form base shelf prospectus of the Company dated April 14, 2020.

ADDENDUM ATTACHED:

Yes

No

REDEMPTION: Under the Trust Indenture, as supplemented by the Fifty-First Supplemental Trust Indenture to be dated as of September 17, 2021, the Notes may be redeemed at any time in whole or, from time to time, in part at the option of the Company prior to March 15, 2051, upon not less than 15 days’ and not more than 60 days’ notice to the holders of the Notes to be redeemed, and upon deposit with the Trustee, on the date fixed for redemption, of the Redemption Price. The Notes may be redeemed, in whole or, from time to time, in part, at the option of the Company at any time on or after March 15, 2051, upon not less than 15 days’ and not more than 60 days’ notice to the holders of the Notes to be redeemed, and upon deposit with the Trustee, on the date fixed for redemption, of 100% of their principal amount, together with accrued and unpaid interest to the date fixed for redemption.

“**Redemption Price**” means, with respect to a Note to be redeemed, the greater of (i) the Series 51 Note Canada Yield Price and (ii) par, together in each case with accrued and unpaid interest to the date fixed for redemption.

“**Government of Canada Yield**” on any date means the yield from the date fixed for redemption to March 15, 2051, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, which a non-callable Government of Canada bond would carry if issued in dollars in Canada, at 100% of its principal amount on such date with a term to maturity equal to, or if no Government of Canada bond having an equal term to maturity exists, as close as possible to, the remaining term to March 15, 2051 (calculated from the redemption date) of the Notes, such yield being the average of the yields provided by two Canadian investment dealers specified by the Company.

“**Series 51 Note Canada Yield Price**” means a price equal to the price of the Notes calculated to provide a yield to March 15, 2051, compounded semi-annually and calculated in accordance with generally accepted Canadian financial practice, equal to the Government of Canada Yield calculated at 10:00 a.m. (Toronto time) on the Business Day preceding the day on which the Company gives notice of redemption pursuant to section 5.3 of the Trust Indenture, plus 0.335%.

Any redemption may be conditional upon the occurrence of any event (including a financing, asset disposition or other transaction).

RATINGS: The Notes will be rated A- (stable) by S&P Global Ratings, A (high) (stable) by DBRS Limited and A3 (stable) by Moody’s Investors Services, Inc.

USE OF PROCEEDS: The net proceeds from the sale of the Notes will be used to repay and/or prepay maturing long term and short term debt and for general corporate purposes. The maturing short term debt was incurred to repay other maturing debt and for general corporate purposes.

AGENTS: National Bank Financial Inc., Scotia Capital Inc., TD Securities Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., Desjardins Securities Inc., Casgrain & Company Limited and Laurentian Bank Securities Inc.

FORM: Fully Registered
 Book Entry Only

METHOD OF DISTRIBUTION:

Agency

Principal for Resale

Direct

DEPOSITORY: CDS Clearing & Depository Services Inc.

OTHER ELIGIBILITY:

DTC Yes
 No

Euroclear Yes
 No

Clearstream, Luxembourg Yes
 No

RISK FACTORS

Investing in the Notes involves risks. See the section entitled “Risk Factors” in the short form base shelf prospectus of the Company dated April 14, 2020.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents (some of which are not specifically listed in the Prospectus or any amendment or supplement thereto) which have been filed by the Company with the various securities commissions or similar authorities in all of the provinces of Canada, are specifically incorporated by reference in and form an integral part of the Prospectus, as amended or supplemented:

- (a) the Company’s annual information form dated February 25, 2021 (the “**AIF**”);
- (b) the Company’s statement of executive compensation dated April 13, 2021 incorporated by reference in the AIF;
- (c) the Company’s comparative audited consolidated financial statements, and the notes thereto, as at and for the fiscal years ended December 31, 2020 and December 31, 2019, together with the report of the auditors thereon dated February 23, 2021 (the “**Annual Financial Statements**”);
- (d) the management’s discussion and analysis in respect of the Annual Financial Statements;
- (e) the Company’s unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2021 and 2020 and the notes thereto (the “**Interim Financial Statements**”);
- (f) the management’s discussion and analysis in respect of the Interim Financial Statements;
- (g) the template indicative term sheet (the “**Indicative Term Sheet**”) prepared for potential investors in connection with this offering of Notes dated September 14, 2021 filed on SEDAR by the Company on September 14, 2021; and
- (h) the template final term sheet (the “**Final Term Sheet**”) prepared for potential investors in connection with this offering of Notes dated September 14, 2021 filed on SEDAR by the Company on September 14, 2021.

MARKETING MATERIALS

The Indicative Term Sheet and the Final Term Sheet may be considered marketing materials for purposes of applicable Canadian securities laws. The Indicative Term Sheet is not part of the Prospectus to the extent that the contents of the Indicative Term Sheet have been modified or superseded by a statement contained in this Pricing Supplement.