



For Immediate Release

St. John's, NL – December 14, 2010

**FORTIS INC. ANNOUNCES FIRST QUARTER DIVIDENDS – 2011
Increases Quarterly Common Share Dividend by 3.6 Per Cent
Marks 38 Consecutive Years of Annual Common Share Dividend Payment Increases**

The Board of Directors of Fortis Inc. (the “Corporation”) (TSX:FTS) has declared a common share dividend of \$0.29 per share on the issued and outstanding fully paid Common Shares of the Corporation, payable on March 1, 2011 to the Common Shareholders of Record at the close of business on February 11, 2011.

The 3.6 per cent increase in the quarterly common share dividend to \$0.29 from \$0.28 extends the Corporation’s record of annual common share dividend payment increases to 38 consecutive years, the longest record of any public corporation in Canada.

The Board of Directors also declared the following dividends on its First Preference Shares:

1. \$0.340625 per share on the First Preference Shares, Series “C” of the Corporation, payable on March 1, 2011 to the Shareholders of Record at the close of business on February 11, 2011;
2. \$0.3063 per share on the First Preference Shares, Series “E” of the Corporation, payable on March 1, 2011 to the Shareholders of Record at the close of business on February 11, 2011;
3. \$0.3063 per share on the First Preference Shares, Series “F” of the Corporation, payable on March 1, 2011 to the Shareholders of Record at the close of business on February 11, 2011;
4. \$0.3281 per share on the First Preference Shares, Series “G” of the Corporation, payable on March 1, 2011 to the Shareholders of Record at the close of business on February 11, 2011;
and
5. \$0.2656 per share on the First Preference Shares, Series “H” of the Corporation, payable on March 1, 2011 to the Shareholders of Record at the close of business on February 11, 2011.

Fortis has designated the common share dividend and preference share dividends as eligible dividends for federal and provincial dividend tax credit purposes.

Fortis Inc. is the largest investor-owned distribution utility in Canada, with total assets of \$12.5 billion and fiscal 2009 revenues totalling \$3.6 billion. The Corporation serves approximately 2,100,000 gas and electricity customers. Its regulated holdings include electric distribution utilities in five Canadian provinces and three Caribbean countries and a natural gas utility in British Columbia. Fortis owns and operates non-regulated generation assets across Canada and in Belize and Upper New York State. It also owns hotels and commercial real estate across Canada.

The Common Shares, First Preference Shares, Series C; First Preference Shares, Series E; First Preference Shares, Series F; First Preference Shares, Series G; and First Preference Shares, Series H of Fortis are traded on the Toronto Stock Exchange under the symbols FTS, FTS.PR.C, FTS.PR.E, FTS.PR.F, FTS.PR.G and FTS.PR.H, respectively. Fortis information can be accessed at www.fortisinc.com or www.sedar.com.

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