



**FOR IMMEDIATE RELEASE:**

St. John's, NL (May 27, 2013):

**FORTIS INC. CONVENES MEETING OF SUBSCRIPTION RECEIPT HOLDERS**

Fortis Inc. ("Fortis" or the "Corporation") (TSX:FTS) announced today that it will convene a meeting of the holders of subscription receipts issued by Fortis ("Subscription Receipts") pursuant to the Subscription Receipt Agreement dated June 27, 2012 ("Subscription Receipt Agreement") to request an amendment to such agreement ("Subscription Receipt Agreement Amendment"). The Subscription Receipts were issued to partially finance the acquisition by Fortis of CH Energy Group, Inc., an energy delivery company headquartered in Poughkeepsie, New York (the "Acquisition"). The Subscription Receipt Agreement Amendment seeks to extend the deadline for expiry of the Subscription Receipts from June 30, 2013 to August 30, 2013, to provide additional time for the receipt of the outstanding regulatory approval required to finalize the Acquisition and for the fulfillment or waiver of all other outstanding conditions precedent to closing the Acquisition (collectively, the "Release Conditions").

As referenced in the Subscription Receipt Agreement, the Acquisition is subject to various regulatory approvals. The sole outstanding regulatory approval is that of the New York State Public Service Commission (the "NYSPSC") and, although application was made to the NYSPSC in April 2012, its regulatory review remains ongoing. In order to accommodate the ongoing regulatory process of the NYSPSC, it is prudent for holders of Subscription Receipts to extend the deadline for expiry of the Subscription Receipts under the Subscription Receipt Agreement to August 30, 2013.

The meeting of holders of Subscription Receipts will be held at the offices of Davies Ward Phillips & Vineberg LLP, 155 Wellington Street West, Toronto, Ontario, Canada at 10:00 a.m. (Toronto time) on June 20, 2013 (the "Meeting"). The record date to determine holders entitled to vote at the Meeting is May 21, 2013. The Notice of Meeting and Management Information Circular providing full particulars of the status of the Acquisition and the proposed Subscription Receipt Agreement Amendment will be distributed to Subscription Receipt holders over the course of the next week.

The Subscription Receipt Agreement Amendment will not result in any changes to the terms of the Subscription Receipt Agreement other than the extension of the deadline for the expiry of the Subscription Receipts. If the Subscription Receipt Agreement Amendment is approved by holders of the Subscription Receipts and the Release Conditions are satisfied prior to 5:00 p.m. (Toronto time) on August 30, 2013, holders of Subscription Receipts will receive: (a) one Fortis common share (a "Common Share") for each Subscription Receipt held; and (b) a cash payment for each Subscription Receipt held equal to the aggregate amount of cash dividends declared per

Common Share for which record dates have occurred between June 27, 2012 and the date of issuance of Common Shares to the holders of Subscription Receipts pursuant to the Subscription Receipt Agreement (the "Dividend Equivalent Payment"), less any applicable withholding taxes. As at May 24, 2013, the Dividend Equivalent Payment was \$1.22 per Subscription Receipt and the closing price of a Common Share on the Toronto Stock Exchange was \$33.63. Alternatively, if the Subscription Receipt Agreement Amendment is approved by holders of the Subscription Receipts and the Release Conditions are not satisfied prior to August 30, 2013 or the Acquisition is terminated prior to such date, holders of Subscription Receipts will receive: (i) \$32.50 in respect of each Subscription Receipt; and (ii) their *pro rata* share of the interest earned and yield generated on the investment of the Subscription Receipt proceeds held by Computershare Trust Company of Canada pursuant to the Subscription Receipt Agreement Amendment as of August 30, 2013 or the date of termination, as applicable. As of May 21, 2013, the aggregate amount of such earned interest was approximately \$6.1 million, or approximately \$0.33 per Subscription Receipt.

While no assurance regarding the closing of the Acquisition can be given until an order is issued by the NYSPSC, a final decision by the NYSPSC and subsequent closing of the Acquisition is expected in June 2013.

Holders of Subscription Receipts with any questions regarding the deposit of proxies or other voting procedures in connection with the Meeting should contact Kingsdale Shareholder Services Inc. by telephone at 1-888-518-6828 (toll-free in North America) or at 1-416-867-2272 (collect calls accepted), or by e-mail at [contactus@kingsdaleshareholder.com](mailto:contactus@kingsdaleshareholder.com).

*Fortis includes forward-looking information in this press release within the meaning of applicable securities laws in Canada ("forward-looking information"). The purpose of the forward-looking information is to provide management's expectations regarding the completion of the Acquisition and the expected timing and benefits thereof, the Corporation's future growth, results of operations, performance, business prospects and opportunities, and it may not be appropriate for other purposes. All forward-looking information is given pursuant to the safe harbour provisions of applicable Canadian securities legislation. The words "anticipates", "believes", "budgets", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "schedule", "should", "will", "would" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. The forward-looking information reflects management's current beliefs and is based on assumptions developed using information currently available to the Corporation's management. Although Fortis believes that the forward-looking statements are based on information and assumptions which are current, reasonable and complete, these statements are necessarily subject to a variety of risks and uncertainties. For additional information on risk factors that have the potential to affect the Corporation, reference should be made to the Corporation's continuous disclosure materials filed from time to time with Canadian securities regulatory authorities and to the heading "Business Risk Management" in the Corporation's annual and quarterly Management Discussion and Analysis. Except as required by law, the Corporation undertakes no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise after the date hereof.*

**For more information please contact:**

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