

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus supplement, together with the short form base shelf prospectus to which it relates dated November 30, 2016, as amended or supplemented, and each document incorporated or deemed to be incorporated by reference in this prospectus supplement and the short form base shelf prospectus, as amended or supplemented, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

Information has been incorporated by reference in this prospectus supplement and the short form base shelf prospectus to which it relates dated November 30, 2016, as amended or supplemented, from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated by reference herein may be obtained on request without charge from the Corporate Secretary of Fortis at Suite 1100, 5 Springdale Street, P.O. Box 8837, St. John's, Newfoundland and Labrador A1B 3T2 (telephone (709) 737-2800) and are also available electronically at www.sedar.com.

New Issue

March 2, 2017

**PROSPECTUS SUPPLEMENT
(to the Short Form Base Shelf Prospectus dated November 30, 2016)**

FORTIS INC.



\$500,000,002

12,195,122 COMMON SHARES

This prospectus supplement, or the Prospectus Supplement, together with the short form base shelf prospectus to which it relates dated November 30, 2016, or the Prospectus, qualifies the distribution, or the Offering, of 12,195,122 common shares, or the Offered Shares, of Fortis directly to ZP Master Utility Fund, Ltd., ZP Energy Fund, L.P., ZP Master Energy Fund, L.P. and P Zimmer Ltd., or collectively the Subscribers, at a price of \$41.00 per Offered Share. The offering price of the Offered Shares has been determined by negotiation between us and the Subscribers. Closing of the Offering and delivery of the Offered Shares is expected to occur on or about March 3, 2017, or the Closing Date, or such other date as may be agreed upon by us and the Subscribers, but not later than March 6, 2017.

Our outstanding common shares, or Common Shares, First Preference Shares, Series F, First Preference Shares, Series G, First Preference Shares, Series H, First Preference Shares, Series I, First Preference Shares, Series J, First Preference Shares, Series K and First Preference Shares, Series M are listed on the Toronto Stock Exchange, or TSX, under the symbols “FTS”, “FTS.PR.F”, “FTS.PR.G”, “FTS.PR.H”, “FTS.PR.I”, “FTS.PR.J”, “FTS.PR.K” and “FTS.PR.M”, respectively. Our Common Shares are listed on the New York Stock Exchange, or NYSE, under the symbol “FTS”. On March 1, 2017, the last trading day prior to the date of the public announcement of the Offering, the closing price of the Common Shares on the NYSE and the TSX was US\$31.81 and \$42.41, respectively, per share. See “Trading Prices and Volume”. The TSX has conditionally approved the listing of the Offered Shares, subject to us fulfilling all of the requirements of the TSX. In addition, we have applied to list the Offered Shares on the NYSE. This listing will be subject to us fulfilling all of the listing requirements of the NYSE.

Price: \$41.00 per Common Share

Investing in the Offered Shares involves certain risks that should be carefully considered. See the “Risk Factors” section of the Prospectus, as well as “Risks Related to the Offered Shares” in this Prospectus Supplement.

	Price to the Subscribers	Net Proceeds to Fortis ⁽¹⁾
Per Common Share.....	\$41.00	\$41.00
Total	\$500,000,002	\$500,000,002

Notes:

(1) Before deducting expenses of the Offering, estimated at \$450,000, which will be paid from the proceeds of the Offering.

We are permitted, under the multi-jurisdictional disclosure system adopted by the United States, or the U.S., and Canada, to prepare this Prospectus Supplement in accordance with Canadian disclosure requirements. You should be aware that such requirements are different from U.S. disclosure requirements. Financial statements incorporated by reference herein have been prepared in accordance with U.S. generally accepted accounting principles, or U.S. GAAP.

The acquisition of the securities described herein may subject you to tax consequences in both the U.S. and Canada. This Prospectus Supplement does not describe these tax consequences. See “Certain Canadian and U.S. Federal Income Tax Considerations”.

Your ability to enforce civil liabilities under U.S. federal securities laws may be affected adversely because our company is incorporated under the laws of the Province of Newfoundland and Labrador, Canada, some of our officers and directors and some of the experts named in this Prospectus Supplement and the Prospectus are non-U.S. residents, and some of our assets and some of the assets of those officers, directors and experts may be located outside of the U.S.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, OR THE SEC, NOR HAS THE SEC PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

No underwriter or dealer has been involved in the preparation of, or has performed any review of, this Prospectus Supplement or the Prospectus.

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NOTICE TO READERS

This document is in two parts. The first part is this Prospectus Supplement, which describes the specific terms of the Offering and also adds to and updates certain information contained in the Prospectus and the documents incorporated by reference herein and therein. The second part is the Prospectus, which gives more general information, some of which may not apply to the Offering. This Prospectus Supplement is deemed to be incorporated by reference in the Prospectus solely for the purpose of the Offering.

If the description of the Offered Shares varies between this Prospectus Supplement and the Prospectus, you should rely on the information in this Prospectus Supplement.

You should rely only on the information contained in or incorporated by reference in this Prospectus Supplement and the Prospectus. We have not authorized anyone to provide you with different or additional information. We are not making an offer of Offered Shares in any jurisdiction where the offer is not permitted by law. You should not assume that the information contained in or incorporated by reference in this Prospectus Supplement and the Prospectus is accurate as of any date other than the date on the front of this Prospectus Supplement.

Unless we have indicated otherwise, or the context otherwise requires, references in this Prospectus Supplement to “Fortis”, “we”, “us” and “our” refer to Fortis Inc. and its consolidated subsidiaries.

SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Prospectus Supplement and the Prospectus, including the documents incorporated herein and therein by reference, contain “forward-looking information” within the meaning of applicable Canadian securities laws and “forward-looking statements” within the meaning of the *U.S. Private Securities Litigation Reform Act of 1995* (collectively referred to herein as “forward-looking information” or “forward-looking statements”). The forward-looking information reflects our current expectations regarding our future growth, results of operations, performance, business prospects and opportunities, based on information currently available. These expectations 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”, “assumes”, “believes”, “budgets”, “can”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “opportunity”, “plans”, “projects”, “seeks”, “schedule”, “should”, “target”, “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 information currently available to us.

The forward-looking information in this Prospectus Supplement and the Prospectus, including the documents incorporated herein and therein by reference, includes, but is not limited to, statements regarding: the expected use of proceeds of the Offering; the expectation that the acquisition of ITC Holdings Corp., or ITC, will be accretive to earnings per Common Share in 2017; our business model provides superior transparency and best serves the interest of customers; target average annual dividend growth through 2021; our forecast midyear rate base through 2021; expected compound annual growth rate in rate base through 2019; the expected timing of filing of regulatory applications and receipt and outcome of regulatory decisions; our forecast gross consolidated and segmented capital expenditures for 2017 and from 2017 to 2021; the nature, timing and expected costs of certain capital projects including, without limitation, expansions of the Tilbury liquefied natural gas, or LNG, facility, ITC Multi-Value Projects, the 34.5 to 69 kilovolt Conversion Project, the Gas Main Replacement Program, the Lower Mainland System Upgrade, the Pole Management Program, and additional opportunities including the pipeline expansion to the Woodfibre LNG site, the Wataynikaneyap Project and the Lake Erie Connector Project; the expectation that our significant capital expenditure program will support continuing growth in earnings and dividends; expected consolidated fixed term debt maturities and repayments in 2017 and over the next five years; the expectation that Fortis and its utilities will have reasonable access to long-term capital in 2017; the expectation that we will repay borrowings under the equity bridge facility using proceeds from a common equity offering in 2017; the expectation that subsidiary operating expenses and interest costs will be paid out of subsidiary operating cash flows; the expectation that cash required to complete subsidiary capital expenditure programs will be sourced from a combination of cash from operations, borrowings under credit facilities, equity injections from Fortis and long term debt offerings; the expectation that cash required of Fortis to support subsidiary capital expenditure programs and finance acquisitions will be derived from a combination of borrowings under our committed corporate credit facility and proceeds from the issuance of Common Shares, preference shares and long-term debt and advances from minority investors; the expectation that borrowings under our committed credit facility may be required from time to time to support the servicing of debt and payment of dividends; the expectation that maintaining the targeted capital structure of our regulated operating subsidiaries will not have an impact on our ability to pay dividends in the foreseeable future; the intent of management to refinance certain borrowings under our long-term committed credit facilities with long-term permanent financing; the expectation that we will remain compliant

with debt covenants throughout 2017; the expectation that we may enter into forward foreign exchange contracts and utilize certain derivatives as cash flow hedges of our exposure to foreign currency risk to a greater extent than in the past; the expectation that long-term debt will not be settled prior to maturity; the expectation that any liability from current legal proceedings will not have a material adverse effect on our consolidated financial position and results of operations; Tucson Electric Power Company's expected share of mine reclamation costs; the expectation that any increases or decreases in defined benefit net pension cost at the regulated utilities for 2017 will be recovered from or refunded to customers in rates; and the expectation that the adoption of future accounting pronouncements will not have a material impact on our consolidated financial statements.

The forecasts and projections that make up the forward-looking information included in this Prospectus Supplement and the Prospectus are based on assumptions which include, but are not limited to: the receipt of applicable regulatory approvals and requested rate orders, no material adverse regulatory decisions being received, and the expectation of regulatory stability; no material capital project and financing cost overrun related to any of our capital projects; the realization of additional opportunities including natural gas related infrastructure and generation; the board of directors of Fortis exercising its discretion to declare dividends, taking into account the business performance and financial conditions of Fortis; no significant variability in interest rates; no significant operational disruptions or environmental liability due to a catastrophic event or environmental upset caused by severe weather, other acts of nature or other major events; the continued ability to maintain the electricity and gas systems to ensure their continued performance; no severe and prolonged downturn in economic conditions; no significant decline in capital spending; sufficient liquidity and capital resources; the continuation of regulator approved mechanisms to flow through the cost of natural gas and energy supply costs in customer rates; the ability to hedge exposures to fluctuations in foreign exchange rates, natural gas prices and electricity prices; no significant changes in tax laws; no significant counterparty defaults; the continued competitiveness of natural gas pricing when compared with electricity and other alternative sources of energy; the continued availability of natural gas, fuel, coal and electricity supply; continuation and regulatory approval of power supply and capacity purchase contracts; the ability to fund defined benefit pension plans, earn the assumed long-term rates of return on the related assets and recover net pension costs in customer rates; no significant changes in government energy plans, environmental laws and regulations that may materially negatively affect Fortis; maintenance of adequate insurance coverage; the ability to obtain and maintain licences and permits; retention of existing service areas; the continued tax deferred treatment of earnings from our Caribbean operations; continued maintenance of information technology infrastructure and no material breach of cyber-security; continued favourable relations with First Nations; favourable labour relations; that we can reasonably assess the merit of and potential liability attributable to ongoing legal proceedings; and sufficient human resources to deliver service and execute the capital program.

The forward-looking information is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. Factors which could cause results or events to differ from current expectations include, but are not limited to: uncertainty regarding the outcome of regulatory proceedings at our utilities; uncertainty of the impact a continuation of a low interest rate environment may have on the allowed rate of return on common shareholders' equity at our regulated utilities; the impact of fluctuations in foreign exchange rates; uncertainty related to proposed tax reform in the U.S.; risk associated with the impacts of less favourable economic conditions on our results of operations; risk that the expected benefits of the acquisition of ITC may fail to materialize, or may not occur within the time periods anticipated; risk associated with our ability to comply with Section 404(a) of the *Sarbanes-Oxley Act of 2002* and the related rules of the SEC and the Public Company Accounting Oversight Board; risk associated with the completion of our 2017 capital expenditures plan, including completion of major capital projects in the timelines anticipated and at the expected amounts; and uncertainty in the timing and access to capital markets to arrange sufficient and cost-effective financing to finance, among other things, capital expenditures and the repayment of maturing debt. For additional information with respect to our risk factors and risk factors relating to the Offered Shares, reference should be made to the section of this Prospectus Supplement entitled "Risks Related to the Offered Shares", the section of the Prospectus entitled "Risk Factors", to the documents incorporated herein and therein by reference and to our continuous disclosure materials filed from time to time with Canadian securities regulatory authorities.

All forward-looking information in this Prospectus Supplement, the Prospectus and in the documents incorporated herein and therein by reference is qualified in its entirety by the above cautionary statements and, except as required by law, we undertake no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference in the Prospectus solely for the purpose of the Offering. The following documents filed by us with the securities commission or similar authority in each of the provinces of Canada are specifically incorporated by reference in, and form an integral part of, this Prospectus Supplement and the Prospectus:

- (a) our Annual Information Form dated February 15, 2017, for the fiscal year ended December 31, 2016;
- (b) our audited comparative consolidated financial statements as at December 31, 2016 and December 31, 2015 and for the fiscal years ended December 31, 2016 and 2015, together with the notes thereto, or the Annual Financial Statements, and the auditors' report thereon dated February 15, 2017;
- (c) our Management Discussion and Analysis of financial condition and results of operations dated February 15, 2017 for the fiscal year ended December 31, 2016, or the Annual MD&A;
- (d) our Management Information Circular dated March 18, 2016 prepared in connection with our annual and special meeting of shareholders held on May 5, 2016, or the Management Information Circular; provided, however, that the following sections or subsections of the Management Information Circular are hereby excluded from this Prospectus Supplement and the Prospectus in accordance with Item 11.1(3) of Form 44-101F1 – *Short Form Prospectus* as the acquisition of ITC has been completed:
 - (i) “Questions and Answers About the Meeting and Acquisition – Did the Board of Directors of Fortis receive a fairness opinion in connection with the Acquisition?” at pages 3-4 of the Management Information Circular;
 - (ii) the references to Goldman, Sachs & Co. and the opinion of Goldman, Sachs & Co. under the headings “Special Business – The Acquisition of ITC Holdings Corp. – Background and Recommendation – Background to the Acquisition” and “Special Business – The Acquisition of ITC Holdings Corp. – Background and Recommendation – Recommendation of the Board” at page 19 of the Management Information Circular;
 - (iii) Schedule C – Opinion of Goldman, Sachs & Co.; and
 - (iv) any other references to Goldman, Sachs & Co. and the opinion of Goldman, Sachs & Co. contained in the Management Information Circular; and
- (e) our business acquisition report dated November 23, 2016 with respect to the acquisition of ITC completed on October 14, 2016, or the ITC Business Acquisition Report.

Any document of the type referred to above, including any material change report (other than any confidential material change report), any business acquisition report and any prospectus supplements disclosing additional or updated information, subsequently filed by us with such securities commissions or regulatory authorities in Canada after the date of this Prospectus Supplement, and prior to the termination of the Offering, shall be deemed to be incorporated by reference into this Prospectus Supplement and the Prospectus.

Documents or information in an annual report on Form 40-F filed by us with the SEC under the *U.S. Securities Exchange Act of 1934*, as amended, or the Exchange Act, from the date of this Prospectus Supplement and prior to the termination or completion of the Offering shall be deemed to be incorporated by reference into this Prospectus Supplement and as exhibits to the registration statement of which this Prospectus Supplement forms a part. In addition, any other report on Form 6-K and the exhibits thereto filed or furnished by us with the SEC under the Exchange Act from the date of this Prospectus Supplement and prior to the termination or completion of the Offering shall be deemed to be incorporated by reference into this Prospectus Supplement or as exhibits to the registration statement, as applicable, but only if and to the extent expressly so provided in such reports. Further, prior to the termination or completion of the Offering we may incorporate by reference into this Prospectus Supplement information from documents that we file with or furnish to the SEC pursuant to Section 13(a) or 15(d) of the U.S. Exchange Act, if and to the extent expressly provided therein. Our current reports on Form 6-K and our annual reports on Form 40-F are available on the SEC's Electronic Data Gathering and Retrieval, or EDGAR, website at www.sec.gov.

Any statement contained in this Prospectus Supplement, the Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus Supplement or the Prospectus shall be deemed to be modified or superseded for the purposes of this Prospectus Supplement and the Prospectus to the extent that a statement contained in this Prospectus Supplement, or in any subsequently filed document which also is or is deemed to be incorporated by reference in this

Prospectus Supplement or the Prospectus, modifies or supersedes that statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not constitute a part of this Prospectus Supplement or the Prospectus except as so modified or superseded.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

Copies of the documents incorporated in this Prospectus Supplement and the Prospectus by reference may be obtained on request without charge from our Corporate Secretary at Suite 1100, 5 Springdale Street, P.O. Box 8837, St. John's, Newfoundland and Labrador A1B 3T2 (telephone (709) 737-2800). These documents are also available through the Internet on our website at www.fortisinc.com or on SEDAR which can be accessed at www.sedar.com. The information contained on, or accessible through, any of these websites is not incorporated by reference into this Prospectus Supplement or the Prospectus and is not, and should not be considered to be, a part of this Prospectus Supplement or the Prospectus unless it is explicitly so incorporated.

In addition to our continuous disclosure obligations under the securities laws of the provinces of Canada, we are subject to the informational requirements of the Exchange Act and in accordance therewith file reports and other information with the SEC. Under the multi-jurisdictional disclosure system adopted by the U.S., or MJDS, such reports and other information may be prepared in accordance with the disclosure requirements of Canada, which requirements are different from those of the U.S. Any information filed with the SEC can be read and copied at prescribed rates at the SEC's Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330 or by accessing its website at www.sec.gov. Some of the documents that we file with or furnish to the SEC are electronically available from the SEC's Electronic Document Gathering and Retrieval System, which is commonly known by the acronym "EDGAR", and may be accessed at www.sec.gov.

We have filed with the SEC a registration statement on Form F-10 (File No. 333-214787) under the *U.S. Securities Act of 1933*, as amended, or the Securities Act, with respect to the Offered Shares offered by this Prospectus Supplement. This Prospectus Supplement, which forms a part of the registration statement, does not contain all of the information set forth in the registration statement, certain parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information with respect to us and the Offering, reference is made to the registration statement and to the schedules and exhibits filed therewith. Statements contained in this Prospectus Supplement as to the contents of certain documents are not necessarily complete and, in each instance, reference is made to the copy of the document filed as an exhibit to the registration statement. Each such statement is qualified in its entirety by such reference.

PRESENTATION OF FINANCIAL INFORMATION

Financial statements incorporated by reference in this Prospectus Supplement and the Prospectus have been prepared in accordance with U.S. GAAP. Certain calculations included in tables and other figures in this Prospectus Supplement and the Prospectus have been rounded for clarity of presentation.

CURRENCY AND EXCHANGE RATE INFORMATION

This Prospectus Supplement contains references to U.S. dollars and Canadian dollars. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars. References to “\$” or “C\$” are to Canadian dollars and references to “US\$” are to U.S. dollars. The following table shows, for the years indicated, certain information regarding the Canadian dollar/U.S. dollar exchange rate. The information is based on the noon exchange rate as reported by the Bank of Canada. Such exchange rate on March 1, 2017 was C\$1.3346 = US\$1.00.

	Period End	Average ⁽¹⁾	Low	High
	(C\$ per US\$)			
Year ended December 31,				
2016.....	1.3427	1.3248	1.2544	1.4589
2015.....	1.3840	1.2787	1.1728	1.3990

⁽¹⁾ The average of the noon buying rates during the relevant period.

FORTIS

We are principally an international electric and gas utility holding company, with total assets of approximately \$48 billion as at December 31, 2016 and revenue totaling approximately \$6.8 billion for the year ended December 31, 2016. In 2016, our electricity systems met a combined peak demand of 33,021 megawatts, or MW, and our gas distribution systems met a peak day demand of 1,586 terajoules, or TJ. Our 8,000 employees serve utility customers in five Canadian provinces, nine U.S. states and three Caribbean countries.

CONSOLIDATED CAPITALIZATION

Assuming closing of the Offering, the share capital of Fortis is expected to increase by approximately \$500,000,000, after deducting the estimated expenses of the Offering on an after-tax basis, and an additional 12,195,122 Common Shares will be issued and outstanding. The following describes the changes in our share and loan capital structure from December 31, 2016 to March 1, 2017.

- (a) During the period from December 31, 2016 up to and including March 1, 2017, we issued an aggregate of 1,818,012 Common Shares in connection with (i) issuances under our Dividend Reinvestment Plan, Employee Share Purchase Plan and Consumer Share Purchase Plan, (ii) the exercise of options granted pursuant to the 2006 and 2012 Stock Option Plans and (iii) the conversion of convertible debentures issued on January 9, 2014, for aggregate consideration of approximately \$74 million.
- (b) During the period from December 31, 2016 up to and including March 1, 2017, our consolidated long-term debt, capital lease and finance obligations, including current portions and committed credit facility borrowings classified as long-term debt, decreased by approximately \$146 million, principally due to changes in foreign exchange rates over the period.

DESCRIPTION OF THE COMMON SHARES

We are authorized to issue an unlimited number of Common Shares. See “Description of Securities Offered – Common Shares” in the Prospectus for a description of the material attributes and characteristics of the Common Shares. As of March 1, 2017, 403,164,066 Common Shares were issued and outstanding. After giving effect to the issue of the Offered Shares, there will be 415,359,188 Common Shares outstanding.

DIVIDEND POLICY

Dividends on the Common Shares are declared at the discretion of our board of directors, or the Board of Directors. We declared and paid cumulative cash dividends on our Common Shares of \$1.53 in 2016. On December 6, 2016, our Board of Directors declared a first quarter dividend of \$0.40 per Common Share, which was paid on March 1, 2017 to holders of record at the close of business on February 16, 2017. On February 15, 2017, our Board of Directors declared a second quarter dividend of \$0.40 per

Common Share, which will be paid on June 1, 2017 to holders of record at the close of business on May 19, 2017. We have increased our annual Common Share dividend payment for 43 consecutive years.

We have targeted average annual dividend growth of approximately 6% through 2021. This dividend guidance takes into account many factors, including the expectation of reasonable outcomes for regulatory proceedings at our utilities, the successful execution of the five-year capital expenditure program, and management's continued confidence in the strength of our diversified portfolio of utilities and record of operational excellence.

USE OF PROCEEDS

The estimated net proceeds to Fortis of this Offering will be approximately \$499,550,002, determined after deducting the expenses of the Offering, which expenses are estimated to be \$450,000. The net proceeds of the Offering will be used to repay short-term indebtedness and for general corporate purposes.

PLAN OF DISTRIBUTION

The Common Shares will be issued directly to the Subscribers under a purchase agreement between Fortis and the Subscribers dated March 1, 2017 as follows:

Subscriber	Number of Offered Shares
ZP Master Utility Fund, Ltd.....	8,287,820
ZP Energy Fund, L.P.	1,729,200
ZP Master Energy Fund, L.P.	1,339,200
P Zimmer Ltd.....	838,902

The closing of the Offering under the purchase agreement is subject to customary conditions and is expected to occur on or about March 3, 2017, or such other date as may be agreed upon by us and the Subscribers, but not later than March 6, 2017. It is possible that not all of the Offered Shares offered pursuant to this Prospectus Supplement will be sold, in which case our net proceeds from the Offering would be reduced. The Offered Shares will be delivered in book-entry only form through the Depository Trust Company on closing of the Offering.

The offering price of the Offered Shares was determined by negotiation between Fortis and the Subscribers. Fortis has not engaged the services of any underwriters in connection with the distribution of the Offered Shares hereunder. The expenses of the offering are estimated to be \$450,000 and are payable by Fortis. The head office of each of the Subscribers purchasing the Offered Shares is located in the United States. The securities being offered under this Prospectus Supplement are registered in the U.S. under the Securities Act in accordance with MJDS.

The TSX has conditionally approved the listing of the Offered Shares, subject to us fulfilling all of the requirements of the TSX. In addition, we have applied to list the Offered Shares on the NYSE. This listing will be subject to us fulfilling all of the listing requirements of the NYSE.

PRIOR SALES

The following table summarizes our issuances of Common Shares and securities convertible into Common Shares during the 12 months prior to the date of this Prospectus Supplement:

<u>Date</u>	<u>Security</u>	<u>Weighted Average Issue Price or Exercise Price per Security, as applicable</u>	<u>Number of Securities</u>
March 2016.....	Common – Exercise of Stock Options ⁽¹⁾	\$ 23.77	181,861
March 2016.....	Common – Conversion of Convertible Debentures ⁽²⁾	\$ 30.72	1,398
April 2016.....	Common – Exercise of Stock Options ⁽¹⁾	\$ 33.04	48,587
April 2016.....	Common – Conversion of Convertible Debentures ⁽²⁾	\$ 30.72	325
May 2016.....	Common – Exercise of Stock Options ⁽¹⁾	\$ 30.11	19,660
June 1, 2016.....	Common – DRIP ⁽³⁾	\$ 40.21	912,982
June 1, 2016.....	Common – ESPP ⁽⁴⁾	\$ 41.02	80,013
June 1, 2016.....	Common – CSPP ⁽⁵⁾	\$ 41.02	7,306
June 2016.....	Common – Exercise of Stock Options ⁽¹⁾	\$ 28.30	67,424
June 2016.....	Common – Conversion of Convertible Debentures ⁽²⁾	\$ 30.72	813
July 2016.....	Common – Exercise of Stock Options ⁽¹⁾	\$ 30.61	280,627
July 2016.....	Common – Conversion of Convertible Debentures ⁽²⁾	\$ 30.72	1,627
August 2016.....	Common – Exercise of Stock Options ⁽¹⁾	\$ 32.95	12,292
August 2016.....	Common – Conversion of Convertible Debentures ⁽²⁾	\$ 30.72	4,979
September 1, 2016.....	Common – DRIP ⁽³⁾	\$ 41.30	908,685
September 1, 2016.....	Common – ESPP ⁽⁴⁾	\$ 41.95	67,451
September 1, 2016.....	Common – CSPP ⁽⁵⁾	\$ 42.13	5,996
September 2016.....	Common – Conversion of Convertible Debentures ⁽²⁾	\$ 30.72	651
October 14, 2016.....	Common – Acquisition of ITC ⁽⁶⁾	\$ 40.96	114,363,774
November 2016.....	Common – Conversion of Convertible Debentures ⁽²⁾	\$ 30.72	488
December 1, 2016.....	Common – DRIP ⁽³⁾	\$ 39.96	1,499,999
December 1, 2016.....	Common – ESPP ⁽⁴⁾	\$ 40.57	89,217
December 1, 2016.....	Common – CSPP ⁽⁵⁾	\$ 40.77	10,282
December 2016.....	Common – Exercise of Stock Options ⁽¹⁾	\$ 27.36	52,936
December 2016.....	Common – Conversion of Convertible Debentures ⁽²⁾	\$ 30.72	32
January 2017.....	Common – Exercise of Stock Options ⁽¹⁾	\$ 27.50	75,152
January 2017.....	Common – Conversion of Convertible Debentures ⁽²⁾	\$ 30.72	1,302
February 2017.....	Common – Exercise of Stock Options ⁽¹⁾	\$ 31.52	60,290
February 2017.....	Common – Conversion of Convertible Debentures ⁽²⁾	\$ 30.72	357
March 1, 2017.....	Common – DRIP ⁽³⁾	\$ 41.78	1,503,934
March 1, 2017.....	Common – ESPP ⁽⁴⁾	\$ 42.48	140,360
March 1, 2017.....	Common – CSPP ⁽⁵⁾	\$ 42.63	7,629
March 2017.....	Common – Exercise of Stock Options ⁽¹⁾	\$ 27.36	28,988

⁽¹⁾ Issued on the exercise of options granted pursuant to our 2006 and 2012 Stock Option Plans.

⁽²⁾ Issued upon the conversion of the convertible debentures issued by us on January 9, 2014 in connection with the financing of the acquisition of UNS Energy.

⁽³⁾ Issued pursuant to our Dividend Reinvestment Plan, or DRIP.

⁽⁴⁾ Issued pursuant to our Employee Share Purchase Plan, or ESPP.

⁽⁵⁾ Issued pursuant to our Consumer Share Purchase Plan, or CSPP.

⁽⁶⁾ Issued to former holders of ITC common stock as partial consideration for the acquisition of ITC.

TRADING PRICES AND VOLUMES

The following table sets forth, for the periods indicated, the reported high and low daily trading prices and the aggregate volume of trading of our Common Shares on the TSX and NYSE.

	Trading of Common Shares			Trading of Common Shares		
	TSX			NYSE		
	High (\$)	Low (\$)	Volume (#)	High (US\$)	Low (US\$)	Volume (#)
2016						
March	41.08	37.74	24,278,166	-	-	-
April	41.09	38.52	16,625,820	-	-	-
May	41.48	39.50	19,330,053	-	-	-
June	43.91	40.78	20,791,983	-	-	-
July	44.87	42.79	16,617,319	-	-	-
August	43.75	40.99	16,936,555	-	-	-
September	42.83	40.32	18,057,520	-	-	-
October ⁽¹⁾	44.22	40.13	55,424,715	33.25	31.03	2,540,021
November	44.27	39.58	28,724,455	33.03	29.15	1,801,178
December	41.94	39.83	18,921,785	31.35	29.78	800,296
2017						
January	41.91	40.59	15,832,581	32.18	30.53	1,001,095
February	43.50	41.35	20,223,622	33.06	31.61	900,395
March 1	42.49	41.95	1,164,421	31.85	31.50	63,179

⁽¹⁾ The Common Shares commenced trading on the NYSE on October 14, 2016.

CERTAIN CANADIAN AND U.S. FEDERAL INCOME TAX CONSIDERATIONS

The acquisition of the securities described herein may subject you to tax consequences in both the U.S. and Canada. This Prospectus Supplement does not describe these tax consequences. Each Subscriber, in making this investment, has acknowledged that it has consulted, and is relying solely upon the advice of, such Subscriber's tax advisors with respect to the Canadian and U.S. tax aspects of an investment in the Offered Shares, including with respect to Canadian withholding tax on dividends paid or credited (or assumed to be paid or credited) on Offered Shares, and we have not made any representation regarding the tax consequences of an investment in the Offered Shares.

RISKS RELATED TO THE OFFERED SHARES

An investment in the Offered Shares offered hereby involves certain risks. You should carefully consider the risk factors described under:

- (a) the heading "Business Risk Management" found on pages 37 to 49 of the Annual MD&A;
- (b) note 32 "Financial Risk Management" found on pages 66 to 69 of the Annual Financial Statements;
- (c) the heading "Risk Factors" found on pages D-14 to D-22 of the Management Information Circular, which include certain risks that relate to the business and operations of ITC;
- (d) "Schedule G – Risk Factors" to the Management Information Circular;
- (e) "Schedule A – Risk Factors" to the ITC Business Acquisition Report;
- (f) the heading "Item 1A. Risk Factors" found on pages 48 to 51 of "Schedule B – ITC Interim Financial Statements and MD&A" to the ITC Business Acquisition Report, which include certain risks that relate to the business and operations of ITC; and

(g) the heading “Risk Factors” found on pages 23 to 25 of the accompanying Prospectus,

each of which is incorporated by reference herein. In addition, you should carefully consider, in light of your own financial circumstances, the risk factors set out below which relate to the Offered Shares, as well as the other information contained in this Prospectus Supplement, the Prospectus, the documents incorporated by reference herein and therein and in all subsequently filed documents incorporated by reference, before making an investment decision.

The Common Shares are publicly traded and are subject to various factors that have historically made their market price volatile.

The market price of our Common Shares has in the past been, and may in the future be, subject to large fluctuations which may result in losses for investors in our Common Shares. The market price of our Common Shares may increase or decrease in response to a number of events and factors, including:

- our operating performance and the performance of competitors and other similar companies;
- the public’s reaction to our press releases, other public announcements and our filings with the various securities regulatory authorities;
- changes in earnings estimates or recommendations by research analysts who track our securities;
- the operating and share price performance of other companies that investors may deem comparable;
- changes in general economic and/or political conditions;
- the arrival or departure of key personnel; and
- acquisitions, strategic alliances or joint ventures involving us or our competitors.

In addition, the market price of our Common Shares is affected by many variables not directly related to our success and not within our control, including other developments that affect the market for all utilities sector securities or the equity markets generally, the breadth of the public market for our Common Shares, and the attractiveness of alternative investments. These variables may adversely affect the prices of our Common Shares regardless of our operating performance.

Our use of the net proceeds from the Offering may change.

We currently intend to apply the net proceeds we receive from the Offering as described under “Use of Proceeds” of this Prospectus Supplement. However, management will have discretion in the actual application of those net proceeds, and may elect to apply them differently than is described under “Use of Proceeds” if management believes it would be in our best interest to do so. The failure by management to apply the net proceeds effectively could have a material adverse effect on our business.

Future sales or issuances of securities of Fortis.

We may issue additional securities to finance future activities. We cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the Common Shares. With any additional issuance of Common Shares, investors will suffer dilution to their voting power and we may experience dilution in our earnings per share.

LEGAL MATTERS

Certain legal matters relating to this Offering will be passed upon on our behalf by Davies Ward Phillips & Vineberg LLP, Toronto, Ontario and McInnes Cooper, St. John’s. At the date hereof, partners and associates of each of Davies Ward Phillips & Vineberg LLP and McInnes Cooper own beneficially, directly or indirectly, less than 1% of any of our securities or any securities of our associates or affiliates.

AUDITORS

Ernst & Young LLP, Chartered Professional Accountants, Fortis Place, 5 Springdale Street, Suite 800, St. John's, Newfoundland and Labrador A1E 0E4, have audited the Annual Financial Statements incorporated by reference in this Prospectus Supplement. Ernst & Young LLP report that they are independent of us in accordance with the Rules of Professional Conduct of the Association of Chartered Professional Accountants of Newfoundland and Labrador and in accordance with the applicable rules and regulations of the SEC and the Public Company Accounting Oversight Board. On February 15, 2017, following a comprehensive request for proposals, assessment and evaluation process, the Board of Directors determined that it would not propose Ernst & Young LLP for re-appointment as the auditors of Fortis at the upcoming meeting of Fortis shareholders expected to be held on May 4, 2017. The Board has determined it will recommend the appointment of Deloitte LLP, 5 Springdale Street, Suite 1000, St. John's, Newfoundland and Labrador A1E 0E4 as auditors of Fortis. Deloitte LLP has not prepared any report, valuation, statement or opinion included or incorporated by reference in this Prospectus Supplement.

The auditors of ITC are Deloitte & Touche LLP, located in Detroit, Michigan. Deloitte & Touche LLP has audited the consolidated financial statements and financial statement schedule of ITC as at December 31, 2015 and December 31, 2014 and for the years ended December 31, 2015, 2014 and 2013 together with the notes thereto and the auditor's report thereon dated February 25, 2016, which are included in the ITC Business Acquisition Report and the Management Information Circular incorporated by reference in this Prospectus Supplement. Deloitte & Touche LLP, certified public accountants, are independent with respect to ITC within the meaning of the Securities Act, and the applicable rules and regulations thereunder adopted by the SEC and the Public Company Accounting Oversight Board.

ENFORCEABILITY OF CIVIL LIABILITIES

We are incorporated under the laws of the Province of Newfoundland and Labrador, Canada. The majority of our directors and officers, and some of the experts named in this Prospectus, are residents of Canada, and all or a substantial portion of their assets, and a substantial portion of our assets, are located outside the U.S. We have appointed an agent for service of process in the U.S., but it may be difficult for holders of Common Shares who reside in the U.S. to effect service within the U.S. upon those directors, officers and experts who are not residents of the U.S. It may also be difficult for holders of the Common Shares who reside in the U.S. to realize in the U.S. upon judgments of courts of the U.S. predicated upon our civil liability and the civil liability of our directors and officers and experts under U.S. federal securities laws.

We have filed with the SEC an appointment of agent for service of process on Form F-X. Under the Form F-X, we have appointed CT Corporation System, 111 Eighth Avenue, New York, New York 10011, as our agent for service of process in the U.S. in connection with any investigation or administrative proceeding conducted by the SEC, and any civil suit or action brought against us in a U.S. court arising out of or related to or concerning the offering of securities under the registration statement of which this Prospectus Supplement forms a part.

We have been advised by our Canadian counsel, Davies Ward Phillips & Vineberg LLP, that a judgment of a U.S. court predicated solely upon civil liability under U.S. federal securities laws would probably be enforceable in Canada if the U.S. court in which the judgment was obtained has a basis for jurisdiction in the matter that would be recognized by a Canadian court for the same purposes. We have also been advised by Davies Ward Phillips & Vineberg LLP, however, that there is real doubt whether an action could be brought in Canada in the first instance on the basis of liability predicated solely upon U.S. federal securities laws.

Two of our directors, Ms. Maura J. Clark and Ms. Margarita K. Dilley, reside outside of Canada and each has appointed Fortis Inc., Suite 1100, 5 Springdale Street, P.O. Box 8837, St. John's, Newfoundland and Labrador A1B 3T2 as agent for service of process. You are advised that it may not be possible to enforce judgments obtained in Canada against any person that resides outside of Canada, even if such person has appointed an agent for service of process.