

Dates - Dividends and Earnings**Expected Earnings Release Dates**

January 31, 2001 April 25, 2001
 July 25, 2001 October 31, 2001

Expected Dividend Record Dates

November 3, 2000 February 2, 2001
 May 4, 2001 August 10, 2001

Expected Dividend Payment Dates

December 1, 2000 March 1, 2001
 June 1, 2001 September 1, 2001

*The declaration and payment of dividends are
 subject to Board of Directors' approval.*

Share Price**Quarter Ending September 30**

	<u>2000</u>	<u>1999</u>
High	36.75	37.00
Low	32.00	33.40
Close	34.50	34.05

Registrar and Transfer Agent

Montreal Trust Company

Share Listings

Toronto Stock Exchange (TSE)
 Common Shares (FTS)
 First Preference Shares, Series B (FTSPRB)

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THIRD QUARTER
 REPORT
 September 2000

FORTIS_{INC.}

Dear Shareholder:

During the third quarter of 2000, our earnings continued to improve and foundations were laid for further growth.

Earnings for the third quarter were \$5.2 million, representing a 5.9 per cent increase over earnings for the third quarter of 1999. Year-to-date earnings have grown by 14.5 per cent to \$26.8 million over the same reporting period last year.

Newfoundland Power and Belize Electricity were the major contributors to earnings growth this quarter. Newfoundland Power realized earnings of \$2.9 million, a 13.6 per cent increase over third quarter earnings in 1999. Year-to-date, the utility's earnings increased 16.1 per cent to \$21.6 million. Belize Electricity contributed \$1.1 million to earnings for the third quarter.

In addition to Belize Electricity, the return on acquisitions and investments made in the past year continue to be strong. Caribbean Utilities paid dividends of \$904,000 to Fortis Inc. during the third quarter. FortisUS Energy's hydroelectric plants achieved the second best production levels since going on-line in 1985. Year-to-date, FortisUS Energy has contributed \$577,000 to earnings.

The dramatic increase in oil prices, and resulting higher purchased energy costs at Maritime Electric, continues to present a major challenge. Maritime Electric's energy sales continue to be strong, increasing almost five per cent year-to-date over the same reporting period last year. However, as a result of the increase in oil prices, the utility's earnings for the third quarter were reduced to \$0.8 million from \$1.3 million for the same period in 1999.

Throughout the year, we have been considering plans to refinance short-term debt used for recent acquisitions and to further strengthen our balance sheet. In October, we completed a 1.5 million common share issuance raising approximately \$51.8 million in gross proceeds. We also completed a public offering of \$100 million of 7.40 per cent senior unsecured debentures due October 2010.

We continue to identify opportunities for further growth, ensuring quality service for our customers and value for our shareholders.



H. Stanley Marshall
President and Chief Executive Officer
Fortis Inc.



Financial Highlights For Q3 2000

Fortis' earnings applicable to common shares for the third quarter grew 5.9 per cent to \$5.2 million, or \$0.39 per common share, compared to \$4.9 million, or \$0.38 per common share, for the third quarter of 1999. Year-to-date, earnings increased by 14.5 per cent to \$26.8 million from \$23.4 million for the same period last year.

Contributing to the growth in earnings in the third quarter were Belize Electricity, Newfoundland Power and FortisUS Energy. The dramatic increase in oil prices, and resulting higher purchased energy costs at Maritime Electric, reduced third quarter earnings.

Revenue for the third quarter increased 22.0 per cent to \$127.5 million from \$104.5 million for the third quarter of 1999. The significant increase in revenue for the quarter resulted primarily from acquisitions made in the past year. Year-to-date revenue increased 18.4 per cent to \$438.0 million from \$370.0 million.

Cash flows from operations for the third quarter was \$30.3 million compared to \$31.5 mil-

lion for the same reporting period last year. Year-to-date cash flows from operations were \$73.1 million compared to \$82.9 million in 1999.

UTILITY OPERATIONS

Newfoundland Power

Newfoundland Power's earnings for the third quarter were \$2.9 million, a 13.6 per cent increase over earnings of \$2.5 million for the third quarter of 1999. On a year-to-date basis, earnings applicable to common shares were \$21.6 million, a 16.1 per cent increase over earnings of \$18.6 million for the same period last year.

Energy sales for the third quarter were 787 GWh, a 2.8 per cent increase over the third quarter last year. Year-to-date energy sales were 3,445 GWh, a 2.1 per cent increase over the same period in 1999.

“Year-to-date earnings increased by 14.5 per cent to \$26.8 million from \$23.4 million for the same period last year.”

Period Ended September 30 (in thousands except for share amounts)	Three Months Ended		Year-to-Date	
	2000	1999	2000	1999
Revenue	\$ 127,482	\$ 104,521	\$ 438,043	\$ 369,969
Cash Flow From Operations	30,299	31,488	73,078	82,857
Earnings Applicable to Common Shares	5,210	4,919	26,820	23,415
Earnings per Common Share (\$)	0.39	0.38	2.03	1.79

Revenue for the third quarter was \$64.7 million, \$2.5 million or 4.0 per cent higher than for the same quarter last year. On a year-to-date basis, revenue was \$262.6 million, up 2.6 per cent, or \$6.7 million, from the same period last year. The increase resulted from higher energy sales combined with a 0.7 per cent increase in electricity rates effective January 1, 2000.

Newfoundland Power's year-to-date operating expenses, excluding purchased power costs, were \$2.8 million lower compared to the same period in 1999. Approximately \$1.3 million of the reduction was attributable to lower labour costs associated with a 1999 early retirement program, aggressive cost control measures and productivity initiatives.

The remaining \$1.5 million reduction resulted from the adoption of new accounting rules for pensions.

Maritime Electric

Energy sales for the third quarter increased 3.1 per cent to 240 GWh from 233 GWh for the third quarter of 1999. Year-to-date energy sales have increased 4.9 per cent to 716 GWh from 682 GWh for the same period in 1999.

Revenue for the third quarter was \$23.2 million, an increase of \$0.9 million over the same period last year. On a year-to-date basis, revenue was \$67.9 million, up 5.2 per cent, or \$3.3 million, over the same period in 1999. The increase in revenue reflects growth in energy sales combined with a three per cent increase in residential electricity rates effective

April 1, 2000.

Operating expenses for the third quarter were \$17.7 million compared to \$15.9 million for the same period in 1999. The increase over last year reflects the increase in purchased energy, substantially higher energy costs resulting from higher oil prices and the timing of the scheduled maintenance outage at New Brunswick Power's Point LePreau Nuclear Generating Station.

The dramatic increase in oil prices, and resulting higher energy costs, reduced earnings for the third quarter which were \$0.8 million compared to \$1.3 million for the same period in 1999.

Canadian Niagara Power

Fortis' share of Canadian Niagara Power's earnings for the third quarter was \$1.5 million, a slight increase over earnings of \$1.4 million for the same period last year.

Energy sales for the third quarter were 159 GWh compared to 232 GWh for the same period in 1999. Year-to-date energy sales were 477 GWh compared to 612 GWh for the third quarter last year. The decrease in gross energy sales reflects the fact that, due to changing market conditions, the company no longer resales purchased power into the United States.

Revenue, net of purchased power, for the third quarter was \$10.5 million compared to \$10.8 million for the same period last year. Year-to-

date, revenue, net of purchased power, was \$26.9 million, comparable to the same period in 1999.

Belize Electricity

Belize Electricity's contribution to earnings was \$1.1 million for the third quarter. As the acquisition of Belize Electricity occurred in the fourth quarter of 1999, there was no earnings contribution for the third quarter of last year.

Energy sales for the third quarter were 60 GWh, an increase of approximately 12.0 per cent over energy sales of 53 GWh for the same period last year. Year-to-date energy sales increased 14.9 per cent to 173 GWh from 150 GWh for the same period last year.

Revenue for the third quarter was \$16.5 million, an increase of \$1.3 million over the third quarter of 1999. The increase in revenue, reflecting strong growth in energy sales, was achieved despite a seven per cent reduction in commercial electricity rates effective April 1, 2000.

FortisUS Energy

In the third quarter, FortisUS Energy contributed \$135,000 to earnings. Year-to-date earnings were \$577,000.

During the third quarter, FortisUS Energy's hydroelectric plants achieved the second best production levels since going on-line in 1985.

Energy production for the period was 10.1 GWh compared to 3.8 GWh for the third quarter of 1999.

Revenue from the sale of electricity was \$0.7 million for the third quarter. On a year-to-date basis, revenue from the sale of electricity was \$2.5 million.

Caribbean Utilities

Caribbean Utilities has announced its financial results for the quarter ended July 31, 2000. Earnings for the quarter increased 33.4 per cent to US\$5.6 million from US\$4.2 million for the same quarter last year. Earnings per Class A Ordinary Share were US\$0.22 compared to US\$0.17 for the same period last year.

Growth in net generation for the quarter averaged 6.9 per cent more than the corresponding period last year. A new record peak load of 70.1 MW was recorded in August 2000, a 6.6 per cent increase over last summer's peak.

Fortis owns 20.2 per cent of the outstanding Class A Ordinary Shares of Caribbean Utilities. This investment has been accounted for on the cost basis. Dividends of \$904,000 from Caribbean Utilities were included in Fortis' third quarter earnings.

“During the third quarter, FortisUS Energy's hydroelectric plants achieved the second best production levels since going on-line in 1985.”

NON-UTILITY OPERATIONS

Fortis Properties

Net earnings for the third quarter were \$1.5 million compared to normalized earnings of \$1.4 million for the same period last year. The growth in earnings was attributable to increased earnings in all of the company's operating divisions.

Revenue for the third quarter was \$14.6 million, a 23.8 per cent increase over revenue of \$11.8 million for the third quarter of 1999. The increase in revenue was mainly related to the inclusion of Brunswick Square, acquired in August 1999.

On August 1, 2000, Fortis Properties announced construction of a 180-room hotel in downtown Halifax, Nova Scotia. Construction of the \$15 million dollar project is scheduled to be completed and the hotel operational in November 2001. The property marks Fortis Properties' first hotel investment in Halifax and builds upon the company's strategic and operational objectives to expand its regional hotel portfolio and strengthen its presence in Atlantic Canada. The company is currently in discussions with an international hotel chain regarding branding of the hotel.

Fortis Trust

Fortis Trust's earnings for the third quarter were \$126,000 compared to earnings of \$137,000 for the same period last year.

Corporate

Corporate expenses for the third quarter were \$3.7 million compared to \$2.2 million for the same period in 1999. Corporate interest expense was higher this quarter as a result of an increase in short-term debt associated with recent acquisitions.

CONSOLIDATED FINANCIAL POSITION

Total assets as of September 30, 2000 were \$1.3 billion, compared to \$1.0 billion as of September 30, 1999. The increase can be attributed to the acquisitions of Caribbean Utilities, Belize Electricity and two hydro plants purchased by FortisUS Energy.

Cash flows from operations for the third quarter were \$30.3 million compared to \$31.5 million for the same period last year. Year-to-date cash flows from operations were \$73.1 million compared to \$82.9 million for the same period last year. The decrease is primarily the result of the receipt of proceeds totalling \$15.5 million which Fortis Properties received in the first quarter of 2000 from the December 1999 sale of its partnership in AT&T Canada (Newfoundland).

Cash used in investing activities totaled \$21.7 million compared to \$41.6 million for the same period in 1999. The decrease in investing activities was primarily the result of the acquisition of Brunswick Square Limited in the third quarter of 1999. Cash from financing activities was \$1.3 million in the third quarter, compared to \$21.3 million for the same period last year. The decrease in cash from financing activities was mainly a result of an

additional \$17.6 million in long-term debt in the third quarter of 1999 assumed as part of the acquisition of Brunswick Square Limited.

Common share dividends for the third quarter were \$6.1 million, compared to \$5.9 million for the same period last year. The third quarter dividend rate for 2000 was \$0.46 per share.

Subsequent to the quarter ended, Fortis completed two financing transactions. Fortis refinanced short-term debt used for recent acquisitions and has further strengthened its balance sheet with proceeds from a common share issue.

On October 17, 2000, Fortis announced that it had closed a public offering of 1,500,000 common shares for gross proceeds to the company of \$51,750,000. The offering was underwritten by Scotia Capital Inc. and CIBC World Markets Inc.

On October 25, 2000, Fortis announced that it had completed a public offering of \$100 million of 7.40 per cent senior unsecured debentures due October 2010. The offering was underwritten by CIBC World Markets Inc., RBC Dominion Securities Inc. and TD Securities Inc.

Consolidated Statement of Earnings (unaudited) (000's)

	Quarter Ended		Year-to-Date	
	2000	1999	2000	1999
Operating revenues	\$ 127,482	\$ 104,521	\$ 438,043	\$ 369,969
Expenses				
Operating	89,264	73,692	302,911	255,698
Depreciation and amortization	10,995	8,189	39,370	31,601
	100,259	81,881	342,281	287,299
Operating income	27,223	22,640	95,762	82,670
Finance charges				
Interest on long term debt	14,326	10,463	41,438	31,263
Dividends on preference shares	743	742	2,231	2,231
Income before income taxes and undernoted	12,154	11,435	52,093	49,176
Income taxes	5,566	5,417	21,047	23,122
Income before undernoted	6,588	6,018	31,046	26,054
Amortization of goodwill	(733)	(733)	(2,197)	(2,197)
Results of discontinued operations	-	(237)	-	(55)
Non-controlling interest	(645)	(129)	(2,029)	(387)
Earnings applicable to common shares	\$ 5,210	\$ 4,919	\$ 26,820	\$ 23,415
Average common shares outstanding (000's)	13,207	13,045	13,207	13,045
Earnings per common share (\$)	\$0.39	\$0.38	\$2.03	\$1.79

Consolidated Statement of Retained Earnings (unaudited) (000's)

	Quarter Ended		Year-to-Date	
	2000	1999	2000	1999
Balance at beginning of period	\$ 200,110	\$ 191,983	\$ 190,661	\$ 189,585
Change in accounting policy for post retirement benefits	-	-	-	(3,266)
Change in accounting policy for future income taxes	-	-	-	(1,053)
As restated	200,110	191,983	190,661	185,266
Earnings applicable to common shares	5,210	4,919	26,820	23,415
	205,320	196,902	217,481	208,681
Dividends on common shares	(6,081)	(5,890)	(18,242)	(17,669)
Balance at end of period	\$ 199,239	\$ 191,012	\$ 199,239	\$ 191,012

Consolidated Balance Sheet (unaudited) (000's)

	2000	1999
ASSETS		
Current assets		
Cash	\$ 10,777	\$ 9,073
Accounts receivable	57,284	45,398
Materials and supplies	17,270	7,480
	85,331	61,951
Other assets:		
Mortgages receivable - Fortis Trust	51,803	50,193
Corporate income tax deposit	6,747	15,595
Deferred charges	63,769	53,245
	122,319	119,033
Utilities' Capital Assets	885,938	699,174
Income producing properties	126,045	127,621
Investment in Caribbean Utilities	79,901	-
Goodwill	36,790	39,719
	\$ 1,336,324	\$ 1,047,498
LIABILITIES AND SHAREHOLDERS' EQUITY		
Current liabilities		
Short term borrowings	\$ 165,317	\$ 13,912
Accounts payable and accrued charges	100,280	81,738
Deposits payable - Fortis Trust	31,542	31,992
	297,139	127,642
Deposits due beyond one year - Fortis Trust	15,507	15,177
Long term debt	502,021	438,715
Preference shares	50,000	50,000
Deferred credits	82,355	63,664
Non-controlling interest	30,918	8,430
Shareholders' equity		
Common shares	157,833	152,858
Foreign currency translation adjustment	1,312	-
Retained earnings	199,239	191,012
	358,384	343,870
	\$ 1,336,324	\$ 1,047,498

Consolidated Statement of Cash Flows (unaudited) (000's)

	Quarter Ended		Year-to-Date	
	2000	1999	2000	1999
Cash from Operations				
Earnings before discontinued operations	\$ 5,210	\$ 5,156	\$ 26,820	\$ 23,470
Items not affecting cash				
Depreciation and amortization	11,728	8,922	41,567	33,798
Future income taxes	372	5,287	(561)	6,830
Non-controlling interest	645	129	2,029	387
Accrued employee future benefits	(3,054)	(1,127)	(6,447)	(4,458)
Other	(3,081)	376	(2,983)	561
	11,820	18,743	60,425	60,588
Change in non-cash working capital	18,479	12,720	12,653	22,244
Cash from continuing operations	30,299	31,463	73,078	82,832
Cash from discontinued operations		25		25
	30,299	31,488	73,078	82,857
Investing				
Capital additions	(20,090)	(43,891)	(61,467)	(76,953)
Investment in Class A Ordinary Shares of Caribbean Utilities			(79,901)	
Additional investment in shares of Belize Electricity and FortisUS Energy			(436)	
Mortgages	(905)	2,000	(1,717)	4,808
Change in corporate tax deposit	4		8,848	
Change in deferred charges and credits	(663)	(866)	(789)	(594)
Cash used in continuing operations	(21,654)	(42,757)	(135,462)	(72,739)
Cash from discontinued operations		1,135		1,135
	(21,654)	(41,622)	(135,462)	(71,604)
Financing				
Issuance of common shares	929	1,049	3,888	3,764
Net increase in long term debt	(1,321)	13,419	4,071	13,098
Change in short term borrowings	822	4,505	72,691	(8,306)
Contributions in aid of construction	348	474	979	1,375
Change in deposits due beyond one year	556	1,949	(133)	(569)
Cash from continuing operations	1,334	21,396	81,496	9,362
Cash used in discontinued operations		(73)		(73)
	1,334	21,323	81,496	9,289
Dividends				
Common shares	(6,081)	(5,890)	(18,242)	(17,669)
Subsidiaries to non-controlling shareholders	(129)	(129)	(1,384)	(387)
	(6,210)	(6,019)	(19,626)	(18,056)
Change in cash	3,769	5,170	(514)	2,486
Cash, beginning of period	7,008	3,903	11,291	6,587
Cash, end of period	\$ 10,777	\$ 9,073	\$ 10,777	\$ 9,073

Earnings by Operating Company (000's)

(in 000's)	Current Quarter		Year-to-Date	
	2000	1999	2000	1999
Newfoundland Power	\$ 2,872	\$ 2,528	\$ 21,564	\$ 18,574
Maritime Electric	792	1,295	1,765	4,026
Canadian Niagara Power	1,518	1,407	3,668	3,577
Belize Electricity	1,092	-	3,463	-
FortisUS Energy	135	-	577	-
Caribbean Utilities	904	-	2,025	-
Fortis Properties *	1,497	1,747*	2,490	2,333*
Fortis Trust	126	137	367	386
Corporate	(3,726)	(2,195)	(9,099)	(5,481)
Net Income	\$ 5,210	\$ 4,919	\$ 26,820	\$ 23,415
Average common shares outstanding	13,207	13,045	13,207	13,045
Earnings per common share (\$)	\$ 0.39	\$ 0.38	\$ 2.03	\$ 1.79

* As reported in Fortis' Third Quarter Report for 1999, Fortis Properties' earnings for the nine months ended September 30, 1999 included a reduction in depreciation expense of \$0.5 million. The reduction in depreciation expense resulted from a revision to the life cycle estimates of buildings. The revised estimates conform with industry standards and better reflect the expected useful life of the properties. Fortis Properties' normalized earnings for the three months ended September 30, 1999 were \$1.4 million.

NOTES

FINANCIAL STATEMENT NOTES
(unaudited)

Accounting Policies

On January 1, 1999, Fortis and its subsidiaries, except Newfoundland Power, adopted the recommendations of Section 3461 of the Canadian Institute of Chartered Accountants (CICA) Handbook, Employee Future Benefits. These recommendations have been applied retroactively. Similarly, Fortis, except, with respect to Newfoundland Power, retroactively adopted the recommendations of Section 3465 of the CICA Handbook, Future Income Taxes, during the first quarter of 2000 with restatement of 1999 comparative figures. Newfoundland Power is regulated on a cost-of-service basis and regulatory approval is required for the recovery of current and past expenses. As such, the changes in accounting policies do not apply to them.

Foreign Currency Translation
Adjustment

Acquisition of significant ownership interests in foreign jurisdictions has created foreign currency translation adjustments. The assets and liabilities of Belize Electricity and FortisUS Energy, both of which are self-sustaining, are translated at exchange rates in effect at the balance sheet date. The resulting gains or losses are accumulated in the foreign currency translation adjustment in shareholder's equity. Revenue and expense items are translated at average exchange rates prevailing throughout the period.

Non-Controlling Interest

Non-controlling interest includes 33 per cent of the net assets of Belize Electricity. While Fortis owns 67 per cent of Belize Electricity, ownership of the remaining 33 percent minority interest is distributed between the Government of Belize, with a 25 per cent ownership, and the public of Belize with an eight per cent ownership.

Comparative Figures

Comparative figures have been retroactively adjusted to reflect the changes in accounting policy resulting from the adoption of Section 3461, Employee Future Benefits, and Section 3465, Income Taxes, of the CICA Handbook.

Certain comparative figures have been restated to conform with the current period presentation.

Basis of Presentation

Consolidated financial statements include the accounts of Fortis Inc. (the "Corporation") and the following subsidiaries:

Newfoundland Power Inc. ("Newfoundland Power")
Maritime Electric Company, Limited ("Maritime Electric")
FortisUS Energy Corporation ("FortisUS Energy")
Belize Electricity Limited ("Belize Electricity")
Fortis Properties Corporation ("Fortis Properties")
Fortis Trust Corporation ("Fortis Trust")

The accounts of Fortis Properties includes the Company's 50% interest in a joint venture, Brunswick Square Ltd. ("Brunswick Square") which is reported on a proportionate consolidation basis.

The Corporation's 50% interest in a joint venture, Canadian Niagara Power Company, Limited ("Canadian Niagara Power"), is reported on a proportionate consolidation basis. Canadian Niagara Power sold its shares of Canadian Niagara Wind Power Company Inc.

during 1999. The Corporation's share of earnings and the loss on disposition are presented as discontinued operations.

The Corporations 20.2 per cent investment in Caribbean Utilities is accounted for using cost method. The investment in Caribbean Utilities is recorded at its historical cost and investment income consists of dividends.

Segmented Information
Quarter Ended September 30 (000's)

(in 000's)	Utility		Non-utility		Corporate		Consolidated	
	2000	1999	2000	1999	2000	1999	2000	1999
Operating Revenue	\$ 111,763	\$ 91,691	\$ 15,695	\$ 12,886	\$ 24	\$ (56)	\$ 127,482	\$ 104,521
Operating Expenses	79,442	64,987	9,307	7,265	515	1,440	89,264	73,692
Depreciation and Amortization	10,130	7,973	808	163	57	53	10,995	8,189
Interest	10,135	8,740	2,490	1,961	1,701	(238)	14,326	10,463
Dividends on Preference Shares	-	-	-	-	743	742	743	742
Income Taxes	4,071	4,368	1,467	1,612	28	(563)	5,566	5,417
Results of Discontinued Operations	-	(237)	-	-	-	-	-	(237)
Amortization of Goodwill	-	-	-	-	733	733	733	733
Non-controlling Interest	673	157	-	-	(28)	(28)	645	129
Earnings applicable to Common Shares	\$ 7,312	\$ 5,229	\$ 1,623	\$ 1,885	\$ (3,725)	\$ (2,195)	\$ 5,210	\$ 4,919
Identifiable Assets	\$ 1,111,338	\$ 814,554	\$ 190,844	\$ 192,216	\$ 34,142	\$ 40,728	\$ 1,336,324	\$ 1,047,498
Capital Expenditures	\$ 54,700	\$ 42,013	\$ 6,724	\$ 34,908	\$ 43	\$ 32	\$ 61,467	\$ 76,953