



News Release

FortisAlberta files for interim tariff to recover transmission costs

Calgary, AB – Dec. 8, 2005 (TSX:FTS) – FortisAlberta Inc. filed today an application with the Alberta Energy and Utilities Board (EUB) for approval of interim rates effective Jan. 1, 2006 to recover from our customers the transmission costs under the new rate structure that we must now pay to the Alberta Electric System Operator (AESO). Transmission costs paid to the AESO are subject to deferral account treatment by the EUB and, as a result, do not impact FortisAlberta's earnings.

"FortisAlberta recognizes that the recovery of the revised transmission costs through these interim rates will impact the majority of our customers," says Philip G. Hughes, President and Chief Executive Officer, FortisAlberta. "We are committed to continue focusing on building capacity, improving reliability and investing capital to upgrade the system to keep distribution rates as low as possible for our customers."

These interim rates are required to align costs with the Transmission Regulation, which shifts the majority of the costs to run the transmission system from generators to load customers. The actual amount of the increase will vary for individual customers depending on their rate classification and the amount of electricity they consume. FortisAlberta's distribution revenue will remain unaffected by the collection of these interim rates.

FortisAlberta anticipates filing a full 2006/07 Distribution Tariff Application the week of December 12, 2005, and is proposing no distribution rate increase in 2006 and a three per cent rate increase to customers on base rates in 2007.

FortisAlberta is an electric distribution company with approximately 412,000 customers and more than 103,000 kilometres of power lines. It is a wholly owned, indirect subsidiary of Fortis Inc. – a diversified, international electric utility holding company with assets exceeding \$4.1 billion and annual revenues of over \$1.2 billion. The Common Shares, Series C First Preference Shares and Series E First Preference Shares of Fortis Inc. are traded on the Toronto Stock Exchange under the symbols FTS, FTS.PR.C and FTS.PR.E, respectively. Fortis Inc. information can be accessed at www.fortisinc.com.

FortisAlberta may include forward-looking statements in this release. By their very nature, forward-looking statements are based on underlying assumptions and are subject to inherent risks and uncertainties surrounding future expectations generally. Such events include, but are not limited to, general economic, market and business conditions, regulatory developments, weather and competition. FortisAlberta cautions readers that should certain events or uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary significantly from those expected. For additional information with respect to certain of these risks or factors, reference should be made to FortisAlberta's continuous disclosure materials filed from time to time with Canadian Securities Regulatory Authorities. FortisAlberta disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

For further information contact:

James Harbilas, C.A.
Vice President, Finance and Chief Financial Officer
FortisAlberta Inc.
Tel: (403) 514-4554
www.fortisalberta.com
investors@fortisalberta.com