



News Release

FortisAlberta plans to invest \$360 million in capital projects in 2006 and 2007

Calgary, AB – Dec. 12, 2005 (TSX:FTS) – FortisAlberta Inc. filed today its 2006/07 Distribution Tariff Application with the Alberta Energy and Utilities Board (EUB) for approval of annual operating and maintenance expenses and \$360 million in capital projects, net of customer contributions totaling \$26.6 million, to continue to upgrade and enhance Alberta's electrical system in 2006 and 2007.

"This application reflects our prudent approach of adopting the lowest cost solution to operate the business while keeping pace with the growing expectations of our customers," says Philip G. Hughes, President and Chief Executive Officer. "These capital investments position us well to provide high quality electrical service in a safe, reliable and cost effective manner."

Once approved, the filing will result in no distribution rate increase in 2006 and a three per cent rate increase to customers on base rates in 2007. FortisAlberta attributes these low rate increases to improving operating practices, reliability and capital investments undertaken for the benefit of our customers.

"We are operating in a province characterized by strong economic growth," adds Hughes. "To support this growth and respond to customer needs, we will continue to focus on increasing capacity and improving reliability on our system to minimize the impact on distribution rates for our customers."

In 2005, FortisAlberta will invest approximately \$131 million in capital projects, net of customer contributions of approximately \$29 million, to build new facilities to service new customers and improve reliability on the system.

More than three-quarters of the company's capital investments in 2006 and 2007 will be directed towards improving and expanding poles and wires facilities. These investments will strengthen the physical integrity of the existing electrical system and be used to build additional facilities to improve capacity and reliability.

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.

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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