



NEWS RELEASE

***FortisAlberta Inc. Announces 40-year Debenture Offering
of \$110 Million at 4.99 per cent***

Not for distribution to U.S. newswire services or for dissemination in the United States. Any failure to comply with this restriction may constitute a violation of U.S. securities law.

Calgary, AB - December 8, 2006 - FortisAlberta Inc., a wholly owned subsidiary of Fortis Inc. (TSX:FTS), announced today that it has agreed to issue \$110 million of senior unsecured debentures (the "Debentures"), through a syndicate of agents. The Debentures will bear interest at a rate of 4.99 per cent per annum, payable semi-annually in arrears on January 3 and July 3 in each year commencing July 3, 2007, and will mature on January 3, 2047. The Debentures are unsecured obligations of the Company.

The syndicate is led by TD Securities Inc. and also includes Scotia Capital Inc., BMO Nesbitt Burns Inc., CIBC World Markets Inc., RBC Dominion Securities Inc., National Bank Financial Inc. and Casgrain & Company Limited. The offering is subject to customary closing conditions and is expected to close on or about January 3, 2007.

FortisAlberta plans to use the net proceeds of the offering to repay certain existing indebtedness under its credit facilities, which was incurred primarily to fund capital expenditures. Any proceeds remaining thereafter will be used for capital expenditures and other corporate purposes. The Debentures will be issued under a shelf prospectus which has been assigned a rating of A (low) (stable trend) by Dominion Bond Rating Service Limited and (P)Baa1 (stable) by Moody's Investors Service. Existing FortisAlberta Inc. senior unsecured Debentures have also been assigned a rating of A (low) (stable trend) by Dominion Bond Rating Service Limited and Baa1 (stable) by Moody's Investors Service.

The Debentures have not been and will not be registered under the United States Securities Act of 1933, as amended, and may not be offered or sold in the United States. This news release shall not constitute an offer to sell or the solicitation of an offer to buy, nor shall there be any offer, solicitation or sale of the Debentures in the United States or in any state in which such offer, solicitation or sale would be unlawful.

The Debentures are part of FortisAlberta's Medium Term Note program. The prospectus may be obtained from the SEDAR website at <http://www.sedar.com>.

FortisAlberta is an electric distribution company with approximately 426,000 customers and more than 104,000 kilometres of power lines. It is a wholly owned indirect subsidiary of Fortis Inc. – a diversified, international electric utility holding company with assets of approximately \$5 billion and annual revenues of over \$1.4 billion. The Common Shares, First Preference Shares, Series C; First Preference Shares, Series E; and First Preference Shares, Series F of Fortis Inc. are traded on the Toronto Stock Exchange under the symbols FTS, FTS.PR.C, FTS.PR.E and FTS.PR.F, 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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