

FortisBC receives approval for 2007 rates

Kelowna, BC – December 21, 2006 (TSX:FTS) – FortisBC Inc. today received approval from the British Columbia Utilities Commission (BCUC) for its 2007 customer electricity rates. The 1.2% general rate increase is effective January 1, 2007 and is driven primarily by capital programs to meet customer growth, as well as increased power purchase costs.

“Our 2007 rate increase is below the rate of inflation, which is quite significant considering the extensive capital investment program currently underway on our electrical system,” said John Walker, President & CEO, FortisBC.

FortisBC invested approximately \$95 million in its system in 2006 and received approval from the BCUC to spend \$240 million in 2007 and 2008, with certain projects subject to additional regulatory processes.

“The low increase is the result of improved Company performance, strong customer growth and a more customer-focused regulation process,” added Walker. “We will continue our efforts to improve performance and mitigate future rate increases as much as possible as we move forward.”

The 2007 rates were determined using a performance based regulation (PBR) mechanism, which allows for a streamlined regulatory process and reduced regulatory costs. The mechanism includes a negotiation component between FortisBC and its major customer stakeholders, assisted by the BCUC.

FortisBC is an integrated electric utility based in Kelowna, British Columbia and operating in the southern interior of British Columbia. The Company serves over 150,000 customers directly and indirectly. The utility has four hydroelectric generating plants with a combined capacity of 235 megawatts and over 6,400 kilometers of transmission and distribution power lines. FortisBC employs approximately 550 people in British Columbia and is an indirect wholly owned subsidiary of Fortis Inc. – a diversified, international electric utility holding company based in St. John’s, Newfoundland, with assets of approximately \$5 billion and annual revenues of more than \$1.4 billion. The Common Shares, First Preference Shares, Series C, First Preference Shares, Series E and First Preference Shares, Series F of Fortis are traded on the Toronto Stock Exchange under the symbols FTS, FTS.PR.C, FTS.PR.E and FTS.PR.F, respectively. Fortis information can be accessed at www.fortisinc.com.

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FortisBC 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. FortisBC 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 FortisBC's continuous disclosure materials filed from time to time with Canadian Securities Regulatory Authorities. FortisBC 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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