



For Immediate Release

St. John's, NL – December 11, 2007

FORTIS ANNOUNCES FIRST QUARTER DIVIDENDS – 2008

***Increases Quarterly Common Share Dividend by 19 Per Cent
Marks 35 Consecutive Years of Annual Common Share Dividend Payment Increases***

The Board of Directors of Fortis Inc. (the “Corporation”) (TSX:FTS) today declared a common share dividend of \$0.25 per share on the issued and outstanding fully paid Common Shares of the Corporation, payable on March 1, 2008 to the Common Shareholders of Record at the close of business on February 8, 2008.

The 19 per cent increase in the quarterly common share dividend to \$0.25 from \$0.21 extends the Corporation’s record of annual common share dividend payment increases to 35 consecutive years, the longest record of any public corporation in Canada.

“Terasen Gas is performing as planned and is expected to be accretive to earnings over the first full year of our ownership. Our electric utilities in British Columbia and Alberta, acquired in May 2004, are now well established. It is an appropriate time to increase the quarterly dividend and the dividend payout ratio,” explains Stan Marshall, President and Chief Executive Officer, Fortis Inc. “Growth in earnings has enabled Fortis to increase its quarterly common share dividend by 92 per cent since 2003,” he adds.

The Board of Directors also announced the following dividends on its First Preference Shares:

1. \$0.340625 per share on the First Preference Shares, Series “C” of the Corporation, payable on March 1, 2008 to the Shareholders of Record at the close of business on February 8, 2008;
2. \$0.3063 per share on the First Preference Shares, Series “E” of the Corporation, payable on March 1, 2008 to the Shareholders of Record at the close of business on February 8, 2008; and,
3. \$0.3063 per share on the First Preference Shares, Series “F” of the Corporation, payable on March 1, 2008 to the Shareholders of Record at the close of business on February 8, 2008.

The Corporation has designated the common share dividend and preference share dividends as eligible dividends for federal and provincial dividend tax credit purposes.

Fortis Inc., the largest investor-owned distribution utility in Canada, serves almost 2,000,000 gas and electric customers and has \$10 billion of assets. Its regulated holdings include a natural gas utility in British Columbia, Canada and electric utilities in five Canadian provinces and three Caribbean countries. Fortis Inc. owns non-regulated hydroelectric generation assets across Canada and in Belize and upper New York State. It also owns hotels and commercial real estate in Canada. Fortis Inc. shares are listed on the Toronto Stock Exchange and trade under the symbol FTS. Additional information can be accessed at www.fortisinc.com or www.sedar.com.

- 30 -

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