

FOR IMMEDIATE RELEASE

FortisBC Inc. Receives Approval for 2009 Electricity Rates

Kelowna, BC – December 12, 2008: FortisBC Inc. (TSX:FTS) received approval today from the British Columbia Utilities Commission (BCUC) for its 2009 rate application, which will result in a 4.6% general rate increase, effective January 1, 2009. As a result, an average residential customer using approximately 1000 kWh per month may see an increase of about \$3.77 monthly.

The rate increase is required due to ongoing investment in infrastructure and increasing power purchases driven by customer growth and increased demand for electricity.

“At FortisBC, we are continuing our long term capital investment program. This involves upgrades to existing hydroelectric facilities and the overall electrical system, and investment in infrastructure where necessary,” said John Walker, President and CEO of FortisBC. “We are sensitive to the resulting rise in energy costs and work hard to minimize rate increases through prudent management of our operating costs and capital expenditure programs. FortisBC will also continue to help customers manage their energy use through our PowerSense program.”

Over the last four years, FortisBC has made capital investments that have significantly improved reliability and customer service. To continue to meet long term system requirements and customer needs, FortisBC will make additional investments in the electrical system in 2009.

The approval of the 2009 rate increase also included a three-year extension of the Performance Based Regulation (PBR) mechanism, which allows for a streamlined regulatory process, reduced regulatory costs and a shared savings component to encourage further operational efficiency. The mechanism includes a negotiation component between FortisBC and its stakeholder representatives, assisted by the BCUC.

FortisBC offers programs and services to help customers manage their electrical bills through energy conservation initiatives. The FortisBC PowerSense program provides customers both financial incentives and advice on energy efficiency technologies and energy saving practices that can reduce electrical bills.

For more information call the FortisBC toll free number at 1-866-4FORTIS (1-866-436-7847) or visit the Company’s website at www.fortisbc.com. The full BCUC decision is also available at www.bcuc.com.

About FortisBC

FortisBC Inc. is an integrated regulated electric utility based in Kelowna, British Columbia. Focused on the safe delivery of reliable and cost-effective electricity, FortisBC serves approximately 155,000 customers directly and indirectly through wholesale utilities in the southern interior of B.C. FortisBC owns and operates four regulated hydroelectric generating plants and approximately 6,900 kilometers of transmission and distribution power lines. FortisBC employs over 500 people in British Columbia and is an indirect wholly owned subsidiary of Fortis Inc., the largest investor-owned distribution utility in Canada. With total assets exceeding \$10.5 billion and annual revenues expected to be approximately \$3.7 billion, Fortis Inc. serves more than 2,000,000 gas and electric customers. 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.

FortisBC may include forward-looking statements in this release which reflect management's expectations regarding the Company's future growth, results of operations, performance, business prospects and opportunities. Wherever possible, words such as "anticipate", "believe", "expects", "intend" and similar expressions have been used to identify the forward-looking statements. The forward looking statements in this release include, but are not limited to, statements regarding upgrades and investments to facilities and the electrical system. These statements reflect management's current beliefs and are based on information currently available to the Company's management. By their very nature, forward-looking statements are based on underlying factors or assumptions, which include, but are not limited to, receipt of applicable regulatory approvals and requested rate orders; continued electricity demand; absence of weather and natural disasters and equipment breakdown; no significant decline in interest rates; the ability to arrange sufficient and cost effective financing; the ability to maintain and renew collective bargaining agreements on acceptable terms; absence of environmental damage; the First Nations' settlement process does not adversely affect FortisBC; the adequacy of FortisBC's existing insurance arrangements; that counterparties do not default on power supply contracts; no weather related demand loss; ability to maintain and obtain applicable permits; and climate change does not reduce water flows. These forward-looking statements are subject to inherent risks and uncertainties surrounding future expectations generally that could cause actual results to differ materially from historical results or results anticipated by these forward-looking statements. Such risk factors or assumptions include, but are not limited to, regulatory approval and rate orders risk; electricity demand risk; weather and natural disasters; equipment breakdown; operating and maintenance risk; interest rates risk; capital resources risk; labour relations risk; environmental matters risk; First Nations' land matters risk; underinsured and uninsured losses; power supply contracts risk; weather related demand loss; permits risk; and climate change risk. These factors should be considered carefully and undue reliance should not be placed on the forward-looking statements. 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 including the section entitled "Business Risk Management" in FortisBC's Management Discussion & Analysis. Except as required by law, 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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