



FOR IMMEDIATE RELEASE:

St. John's, NL (June 13, 2013):

**FORTIS INC. ACQUISITION OF CH ENERGY GROUP, INC.
APPROVED BY NEW YORK STATE PUBLIC SERVICE COMMISSION**

Fortis Inc. (“Fortis” or the “Corporation”) (TSX:FTS) and CH Energy Group, Inc. (“CH Energy Group”) (NYSE:CHG), the parent company of Central Hudson Gas & Electric Corporation (“Central Hudson”), announced today that the New York State Public Service Commission (the “NYSPSC”) has voted to approve the Corporation’s agreement to acquire CH Energy Group (the “Acquisition”). Closing of the Acquisition is expected to occur shortly after receipt, review and acceptance of the official written order of the NYSPSC.

On February 21, 2012, Fortis and CH Energy Group announced that Fortis had entered into an agreement to acquire CH Energy Group for US\$65.00 in cash per share, representing an aggregate purchase price of approximately US\$1.5 billion, including the assumption of approximately US\$500 million of debt at closing.

Central Hudson, the main business of CH Energy Group, is a regulated transmission and distribution utility serving approximately 300,000 electric and 75,000 natural gas customers in eight counties of New York State’s Mid-Hudson River Valley. As at December 31, 2012, Central Hudson accounted for approximately 93 percent of CH Energy Group’s total assets of approximately US\$1.8 billion. Central Hudson accounted for approximately 95 percent of CH Energy Group’s net income in 2012, excluding the impact of acquisition-related expenses.

“Central Hudson is a well-run utility whose employees, like those throughout the Fortis federation of utilities, are committed to serving their customers and their communities,” says Stan Marshall, President and Chief Executive Officer of Fortis. “We welcome the employees of Central Hudson to the Fortis team, and we look forward to their contribution as we continue to meet our customers’ energy needs safely, reliably and cost effectively,” he said.

“Our new association with Fortis provides substantial and lasting benefits for our customers, and the Fortis business model retains Central Hudson as a standalone company,” said Steven V. Lant, Chairman of the Board and President of CH Energy Group. “In our capital intensive and increasingly consolidating industry, becoming a member of the Fortis federation of utilities ensures we are able to effectively serve our customers now and in the future. Central Hudson’s ability to make required energy infrastructure investments, which are expected to be more than \$100 million annually over the next five years, is strengthened by being a part of the Fortis federation.”

The Acquisition provides Central Hudson customers with nearly US\$50 million in financial benefits to moderate future delivery rates, enhance economic development programs in the areas

serviced by Central Hudson and provide further assistance to low-income families in the service area. Delivery rates will be frozen for an additional two years, effectively holding rates constant for the three-year period from July 2012 through June 2015. All employees of Central Hudson will retain their jobs for at least four years and an additional 35 union positions will be created. Central Hudson will operate as a standalone company, its current level of community support will be guaranteed for at least 10 years and a new board of directors will have increased local representation.

About Fortis

Fortis is the largest investor-owned distribution utility in Canada, serving more than 2 million gas and electricity customers. Its regulated holdings include electric utilities in five Canadian provinces and two Caribbean countries and a natural gas utility in British Columbia. Fortis owns non-regulated hydroelectric generation assets in Canada, Belize and Upstate New York. The Corporation also owns hotels and commercial real estate in Canada.

About CH Energy Group

CH Energy Group is an energy delivery company headquartered in Poughkeepsie, New York. Its regulated transmission and distribution subsidiary Central Hudson serves approximately 300,000 electric and 75,000 natural gas customers in eight counties of New York State's Mid-Hudson River Valley, delivering natural gas and electricity in a 2,600-square-mile service territory that extends north from the suburbs of metropolitan New York City to the Capital District around Albany. CH Energy Group also operates Central Hudson Enterprises Corporation, a non-regulated subsidiary composed primarily of Griffith Energy Services, which supplies petroleum products and related services to approximately 56,000 customers in the Mid-Atlantic Region.

Forward Looking Information

Fortis includes forward-looking information in this press release within the meaning of applicable securities laws in Canada ("forward-looking information"). The purpose of the forward-looking information is to provide management's expectations regarding the completion of the Acquisition and the expected timing and benefits thereof, the Corporation's future growth, results of operations, performance, business prospects and opportunities, and it may not be appropriate for other purposes. All forward-looking information is given pursuant to the safe harbour provisions of applicable Canadian securities legislation. The words "anticipates", "believes", "budgets", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "schedule", "should", "will", "would" and similar expressions are often intended to identify forward-looking information, although not all forward-looking information contains these identifying words. The forward-looking information reflects management's current beliefs and is based on assumptions developed using information currently available to the Corporation's management. Although Fortis believes that the forward-looking statements are based on information and assumptions which are current, reasonable and complete, these statements are necessarily subject to a variety of risks and uncertainties. For additional information on risk factors that have the potential to affect the Corporation, reference should be made to the Corporation's continuous disclosure materials filed from time to time with Canadian securities regulatory authorities and to the heading "Business Risk Management" in the Corporation's annual and quarterly

Management Discussion and Analysis. Except as required by law, the Corporation undertakes no obligation to revise or update any forward-looking information as a result of new information, future events or otherwise after the date hereof.

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