



**FOR IMMEDIATE RELEASE:**

St. John's, NL (July 5, 2012):

**Fortis Inc. and CH Energy Group, Inc. Transaction  
Approved by Federal Energy Regulatory Commission**

The Federal Energy Regulatory Commission (“FERC”) has approved the acquisition of CH Energy Group, Inc. (“CH Energy Group”) (NYSE:CHG) by Fortis Inc. (“Fortis” or the “Corporation”) (TSX:FTS), finding the transaction is consistent with the public interest.

The ruling is the next step toward finalizing the transaction. CH Energy Group shareholders approved of the acquisition on June 19, 2012. The transaction remains subject to review by the Committee on Foreign Investment in the United States, the U.S. Department of Justice, the Federal Trade Commission and the New York State Public Service Commission.

**About Fortis:** Fortis is the largest investor-owned distribution utility in Canada, with total assets of more than \$14 billion and fiscal 2011 revenue totalling approximately \$3.7 billion. The Corporation serves more than 2,000,000 gas and electricity customers. Its regulated holdings include electric distribution utilities in five Canadian provinces and two Caribbean countries and a natural gas utility in British Columbia, Canada. Fortis owns and operates non-regulated generation assets across Canada and in Belize and Upstate New York. The Corporation also owns hotels and commercial office and retail space in Canada.

**About CH Energy Group:** CH Energy Group is predominantly an energy delivery company headquartered in Poughkeepsie, New York. Regulated transmission and distribution subsidiary Central Hudson Gas & Electric Corporation, which accounted for approximately 97% of CH Energy Group’s net income in 2011, serves approximately 300,000 electric and 75,000 natural gas customers in eight counties of New York State’s Mid-Hudson River Valley.

For more information, visit [www.fortisinc.com](http://www.fortisinc.com) and [www.chenergygroup.com](http://www.chenergygroup.com).

*Fortis includes forward-looking information in this material 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 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, including the ability to obtain regulatory and other approvals and to satisfy conditions to closing and the ability to realize the expected benefits of the acquisition of CH Energy Group. 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 and the "Risk Factors" section of the Annual Information Form. 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.*

**For further information, please contact:**

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