



**For Immediate Release**

St. John's, NL – July 12, 2011

**Fortis - Central Vermont Public Service Corporation Merger Agreement Terminated**

Fortis Inc. (“Fortis” or the “Corporation”) (TSX:FTS) was informed yesterday that the Board of Directors of Central Vermont Public Service Corporation (“CVPS”) (NYSE:CV) has determined that the unsolicited acquisition proposal from Gaz Métro Limited Partnership is a “Superior Proposal”, as that term is defined in the Merger Agreement between Fortis and CVPS announced on May 30, 2011 (the “Merger Agreement”) and that CVPS has elected to terminate the Merger Agreement in accordance with its terms. Prior to such termination taking effect, the Merger Agreement provided Fortis the right to require CVPS to negotiate with Fortis for at least five business days with respect to any changes to the terms of the Merger Agreement proposed by Fortis. Fortis agreed to waive such right in exchange for the prompt payment by CVPS to Fortis of the US\$17.5 million termination fee plus US\$2.0 million in expenses as set forth in the Merger Agreement, thereby resulting in the termination of the Merger Agreement. The Corporation expects to receive such payment today.

Fortis is the largest investor-owned distribution utility in Canada, with total assets of approximately \$13 billion and fiscal 2010 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 Upper New York State. It also owns hotels and commercial office and retail space primarily in Atlantic Canada. Fortis shares are listed on the Toronto Stock Exchange and trade under the symbol FTS. Additional information can be accessed at [www.fortisinc.com](http://www.fortisinc.com) or [www.sedar.com](http://www.sedar.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 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 harbor 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 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.*

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