



# 2020 RESPONSE TO COVID-19 PANDEMIC

## Responding With Resilience

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**FORTIS** INC.

DECEMBER 31, 2020

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# GUIDING PRINCIPLES

**Our values have guided our approach to the pandemic thereby focusing on the right things. These principles will continue to shape how we manage through the duration of COVID-19.**

**We never compromise on safety.**

We have strong protocols in place to protect employees and customers, and we are supporting the mental well-being of employees.

**We have the right structure and co-ordination in place.**

Our Emergency Operations Centre (“EOC”) is activated as safety and business continuity remain critical. Bringing together utility CEOs and leaders from various functions regularly increases collaboration and equips them to lead with confidence.

**We keep decision-making local and act with agility.**

Utilities focus on plan execution and keep decision-making local enabling them to adjust and respond based on their own needs and circumstances.

**We lead through people.**

We rely on the diverse strengths of trusted leaders in various fields to anticipate, innovate and create solutions.

**We remain financially strong.**

Our utilities are focused on meeting financial goals and successfully managing the impact of the pandemic for the benefit of all stakeholders.

**We have effective and timely communication with all stakeholders.**

Communication with employees and customers is purposeful and frequent. Maintaining close ties with industry leaders, regulators and local governments is proving helpful as we navigate through various stages of the pandemic together.

**We have robust IT systems.**

Our IT infrastructures support safe, remote use for employees and customers and protect the grid.

# — PANDEMIC PREPAREDNESS AND ORGANIZATION —



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# APPLYING OUR OPERATING MODEL

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## **We deliver energy with a decentralized, locally focused approach.**

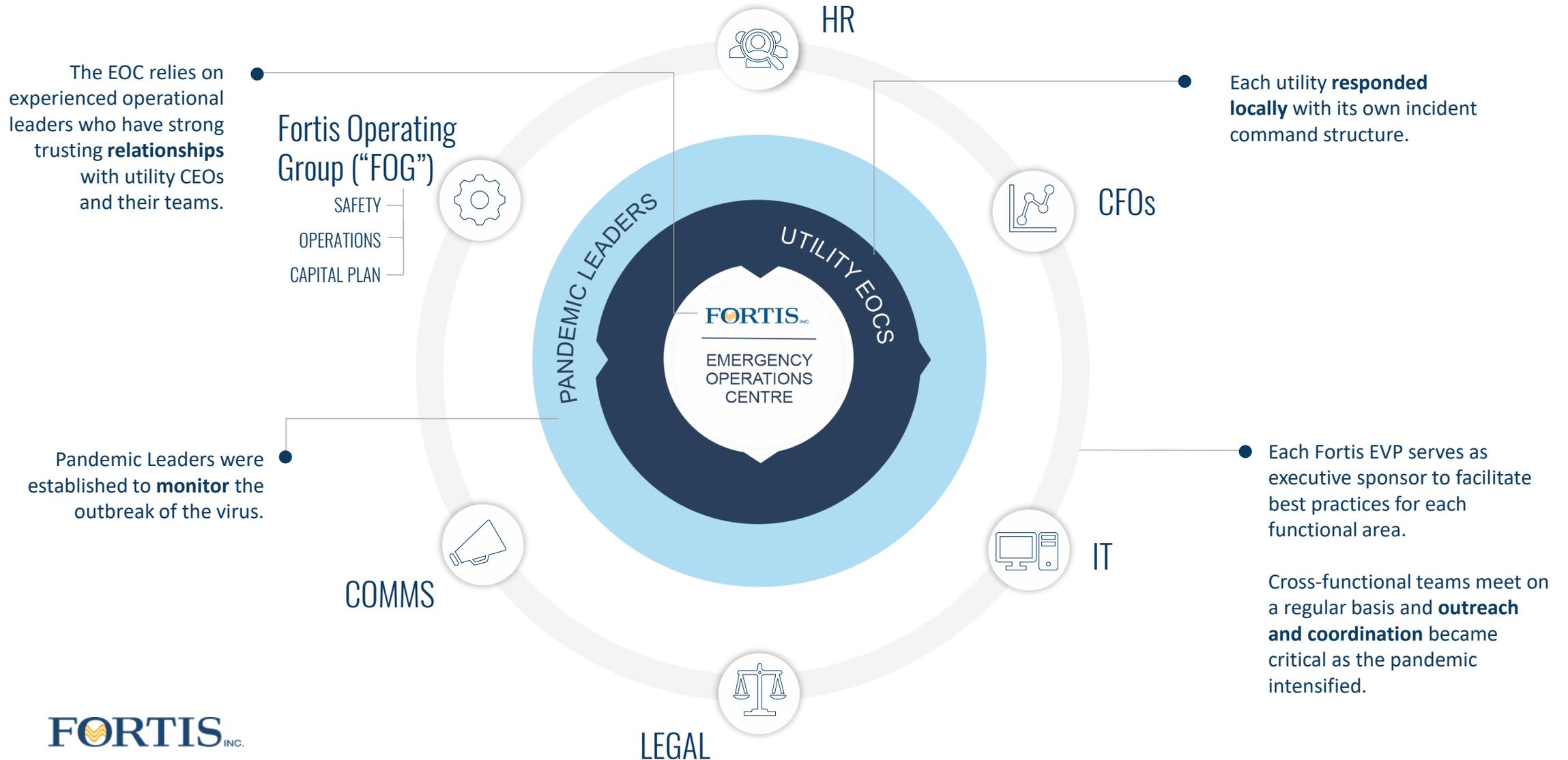
Our operating model strongly positioned the Company's response to COVID-19. Geographic diversity means the virus impacts utilities at different times and intensities. We share skills and learnings to anticipate and respond to challenges with thoughtfulness and flexibility.

## SYSTEMS THAT CONTRIBUTED TO FORTIS READINESS

- Each utility has a business continuity plan and crisis communications plan which are updated and tested on a regular basis
- Locally-based teams with distinct regulatory regimes enable timely and appropriate responses to customer needs and expectations
- Technology platforms are sufficiently robust and flexible to support the rapid transition to Work From Home ("WFH")



# STRUCTURING OUR EMERGENCY RESPONSE



# ACTIVATING THE FORTIS EMERGENCY OPERATIONS CENTRE



Established on March 17, 2020



## Incident Commander

Gary Smith,  
EVP, Eastern Canadian and Caribbean Operations

- EOC includes entire Fortis Inc. executive team
- CEOs from the utilities initially joined twice weekly and then moved to once weekly
- 89 meetings in 2020 – daily for several weeks and then twice weekly
- Subject-matter experts invited to EOC meetings as guest speakers



## STRATEGIC BENEFITS OF THE EOC:

- provides an effective structure to manage information and provide consistent messaging
- supports timely decision-making and course correction if needed
- facilitates co-ordination of response to maintain continuity across the organization

# MONITORING THE VIRUS

Our response has been guided by close monitoring of internal and external information, including:

- employee health, safety and wellness
- infection rates within our jurisdictions
- employee testing, cases and quarantine/isolations
- public health advisories (e.g., CDC, Health Canada, Caribbean Public Health Agency)
- travel guidelines
- provincial/state closures and restrictions
- industry measures and practices
- privacy and liability issues
- vaccine development and administration



A worker wearing a dark hard hat and a high-visibility safety vest is looking down at a document held in their hands. The background is a blurred industrial factory floor with machinery and equipment. A dark blue semi-transparent box with a white geometric pattern is overlaid on the top right of the image, containing the title text.

# EMPLOYEE SAFETY AND OPERATIONS

# CRISIS RESPONSE PRIORITIES



## HEALTH AND SAFETY

Provide frequent communications and tools to aid in preventing the spread of COVID-19 (e.g., masks, PPE, testing).

Focus on job planning and staying on task.

Focus on mental health.



## OPERATIONS

Sequester control centre personnel.

Implement new field practices, adjusting crews for social distancing.

Adapt new ways to interact with customers.



## WORKING REMOTELY

Equip over 4,500 employees to successfully work from home.

Maintain vigilance over cybersecurity threats.



## SUPPLY CHAIN

Ensure resiliency in supply chain.

Maintain appropriate levels of inventory.

Source COVID-related materials.

# SAFETY PROMOTION AND PERFORMANCE

FOG and its Safety Committee have addressed several safety and operational issues presented by the pandemic:

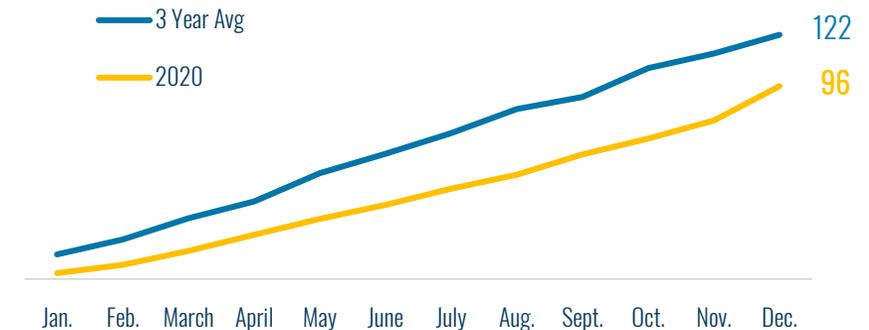
- reducing the risks associated with contracting the virus
- mental and physical distractions while performing work
- mental and physical fatigue or illness
- adjusted field work practices, crew sizes and work schedules
- sequestration
- testing and screening
- supply chain management
- technology solutions

## REINFORCING SAFETY THROUGH COMMUNICATION

Throughout the pandemic, FOG facilitated employee-wide sharing of safety information. **32 safety videos** were recorded and shared on topics such as safe work planning, cleaning and disinfection, mental health and safely interacting with customers. Monthly bulletins with safety tips and performance information was also shared.

THE COMPANY DELIVERED RECORD SAFETY RESULTS –  
A TESTAMENT TO OUR UNWAVERING FOCUS  
AND EMPLOYEE COMMITMENT THROUGHOUT THE PANDEMIC.

# Recordable Injuries 2020



# PROTECTING FIELD EMPLOYEES

Depending on local COVID-19 severity, work was rescheduled or modified but overall operating and capital work is proceeding.

FOG created a framework of adjusted operating practices based on utility needs and circumstances. Included are a range of new or adapted safety measures to protect employees.

## EXAMPLES OF NEW SAFETY MEASURES:

- pre-shift health screening
- one worker per vehicle
- staggered start times
- set crews
- dispatching crews from home
- enhanced cleaning of vehicles
- two trucks for hot line work to maintain adequate distance
- new confined space protocols

Because we know the pandemic could last many months or years, critical service means not only responding to trouble calls, but also: maintaining and modernizing to ensure reliability; connecting new customers; building additional capacity to meet load growth; and, improving our systems to provide better service.



## FOCUS AREAS



STAYING FOCUSED  
ON THE JOB



APPROPRIATE USE  
OF PPE



HEALTH AND SAFETY  
MESSAGING

# CONTROL CENTRE SEQUESTRATION

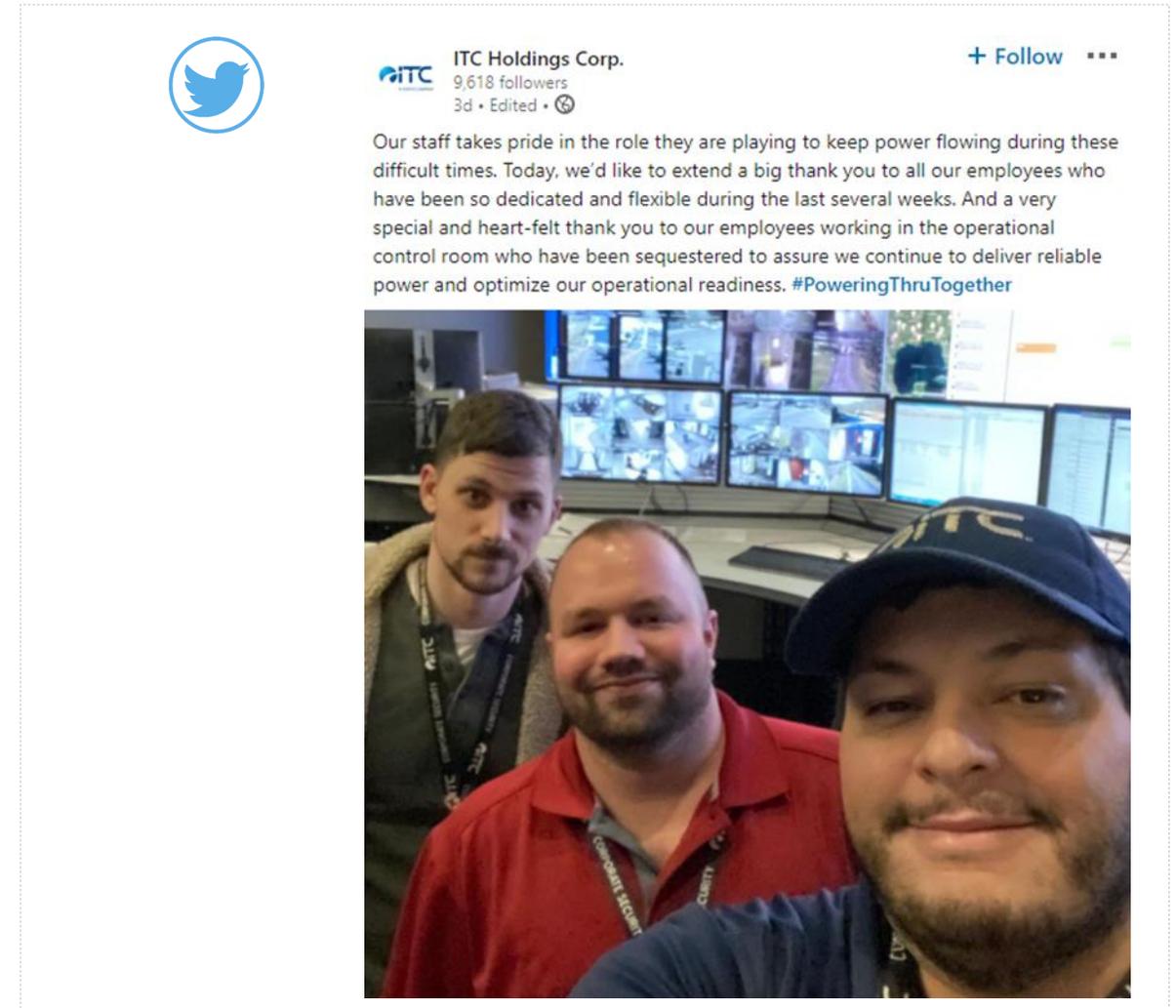
**Significant planning and innovative thinking early in the pandemic supported the protection of system control operations and essential personnel.**

ITC, FortisBC and Central Hudson invoked sequestration during the most critical phases of the pandemic to date. Other utilities added alternate practices such as back-up control centres.

Up to 120 employees were sequestered in April 2020.

## SEQUESTRATION CONSIDERATIONS INCLUDED:

- pre-shift testing and screening protocols
- shift systems and rotations
- compensation
- special accommodations
- family support



# TRANSITIONING TO REMOTE WORK

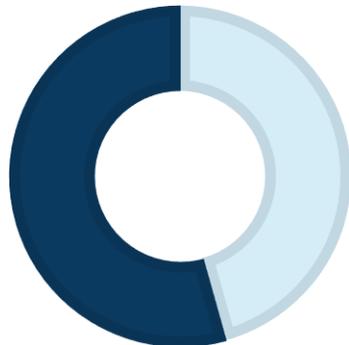
Approximately half of our 9,000 employees quickly and efficiently transitioned to working from home while our teams working in field operations adapted to work safely.

In addition to providing effective technology, ongoing communication between leaders and employees has been critical.

## IMPORTANT WORK FROM HOME CONSIDERATIONS:

- roles that are less conducive to working from home
- school closures and child-care
- illness of family members

## REMOTE WORK BREAKDOWN AS OF DECEMBER 2020 (~9,000 EMPLOYEES)



■ Employees Working From Home

■ Employees at the Workplace



# CYBER SAFETY AND TECHNOLOGY

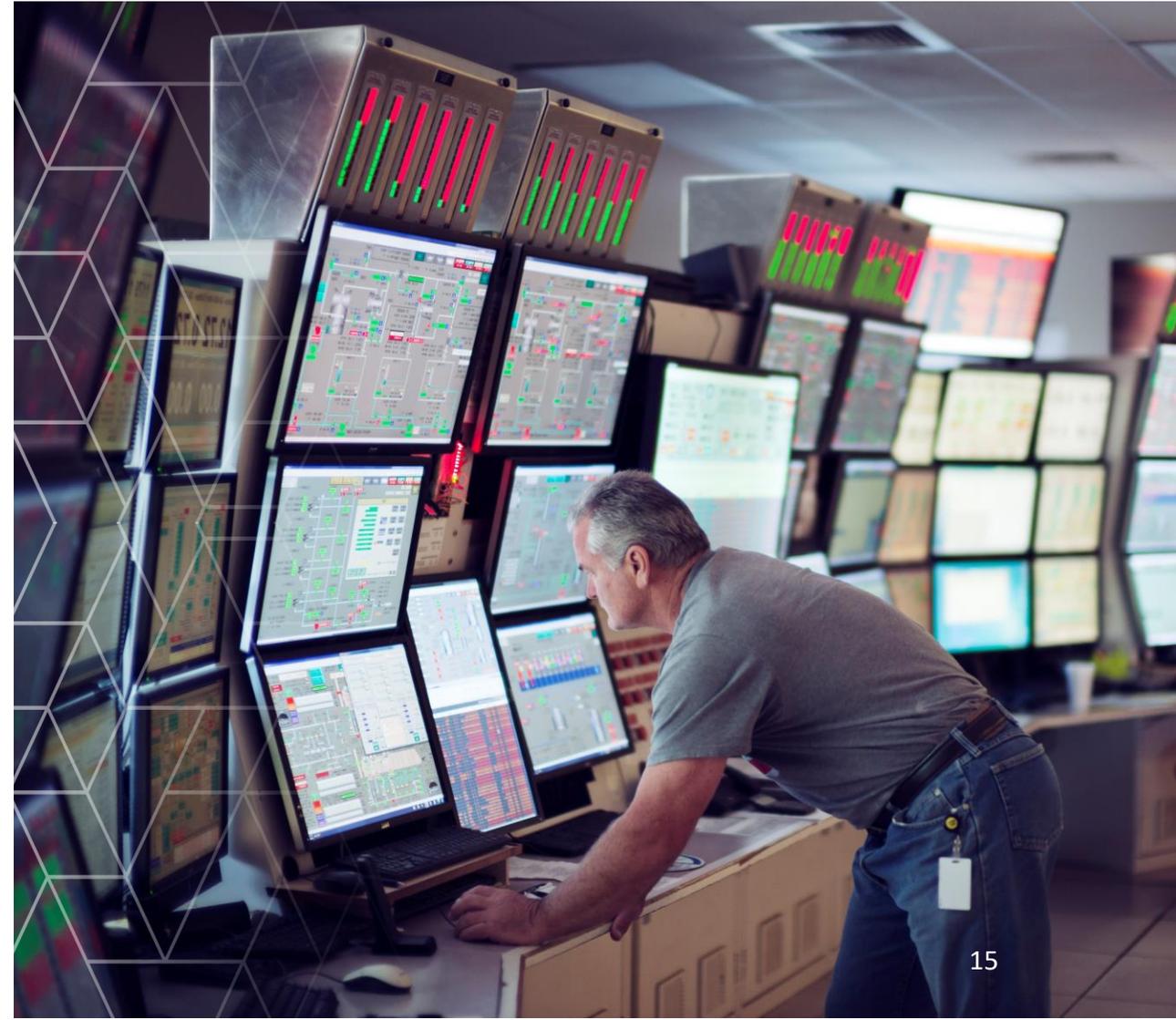
**Cybersecurity, bandwidth, network capability and other IT requirements to support remote work remains an important focus.**

As work from home remains necessary for many, Fortis subsidiaries have continued to strengthen virtual private network environments, collaboration environments and video meeting services. Capacity has been added at most companies and other adjustments made to ensure productivity is not impacted by remote service networks.

Cybersecurity awareness was elevated as the virus spread globally. Adjusting to new workplaces and new technologies identified vulnerabilities in businesses around the world.

**Protecting company information from cyber threats is the highest priority. Everyday our industry is under attack from these virtual threats and we have deployed strong protections to reduce risk of a cyber events.**

Collaborating virtually has been frequent, easy and reliable. Virtual communications technologies have provided opportunities to meet and build relationships. Numerous tools were evaluated and considered and Microsoft Teams was adopted as the recommended channel for both security and other reasons.

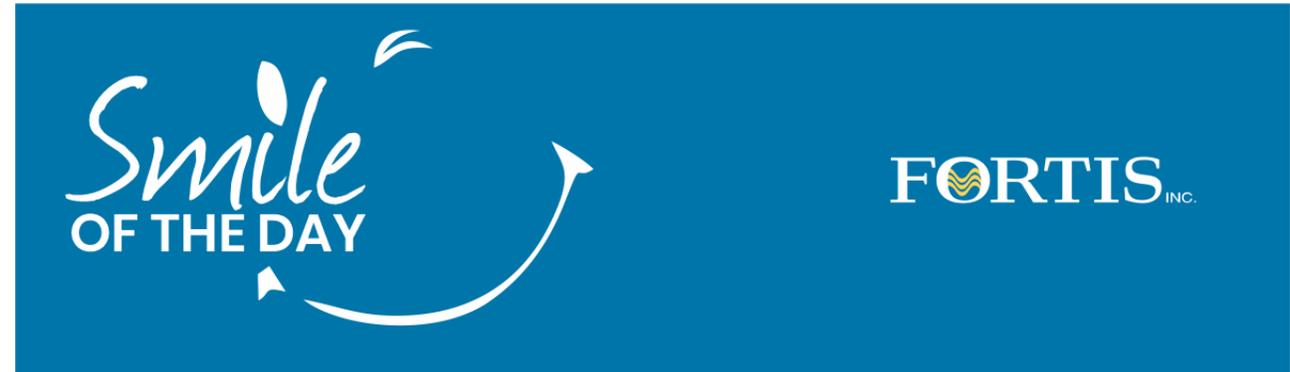


# EMPLOYEE WELLNESS

We recognize the pandemic is inevitably causing added stress on our employees – both those in the field and WFH. We have embraced employee wellness and engagement in a number of ways:

- fitness and health promotions
- virtual ergonomic assessments
- expansion of employee and family assistance service offerings
- mental health offerings
- periodic surveys and touch points
- range of engagement initiatives (e.g., Smile of the Day)

**We want employees to feel “we are in this together” and know they are cared for and supported everyday.**



# SUPPLY CHAIN EFFECTIVENESS

**Supply chain impact was limited as a result of strong relationships with suppliers and collaboration amongst the procurement groups across the Company.**

## ACTIONS THAT CONTRIBUTED TO SUCCESS:

- FOG proactively reached out to vendors to identify potential issues, as many suppliers are international and may have been impacted by the pandemic
- inventory levels are managed at the utility level and have remained adequate as most suppliers are designated as essential service providers
- strong supplier diversity with multiple sourcing has proved beneficial
- value was gained in fostering new connections with local vendors
- when supply shortages occurred, such as hand sanitizer, there was willingness to share resources amongst utilities
- a corporate-wide bulk order of masks designed for field operations was completed to further mitigate risk associated with short-term availability





## COMMUNICATION AND OUTREACH

# LEADERSHIP THROUGH CONNECTION

**Frequent and effective communication has been vital during the pandemic - not only to share information but to provide strong leadership and maintain trust.**

There is ongoing effort and tailor-made tactics to communicate with employees and ensure their safety during the pandemic, whether working in the field, office or remotely. Examples include, CEO videos and letters, intranets, virtual meetings and town halls, and employee check-ins.

Working groups meet extensively to address common issues. An information-sharing portal was created in early March, which provided a secure location for various groups across the utilities to share relevant resources.

Utilities have increased information flow to customers on safety and customer assistance programs, and there have been open lines of communications with all stakeholders. Fortis Inc. has utilized its website, social media and news releases to manage corporate reputation.



EMPLOYEE



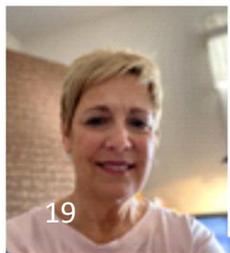
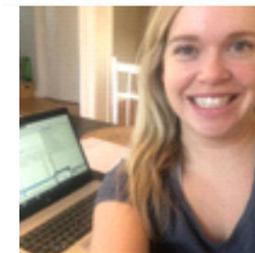
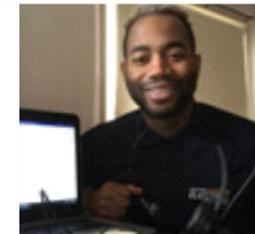
CROSS-FUNCTIONAL  
GROUPS



CUSTOMERS AND  
STAKEHOLDERS



Maritime Electric Employee Check-In Program



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# COMMUNICATION WITH FINANCIAL MARKETS

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The Company issued disclosures to the financial markets early in the pandemic which were well-received. Investor Relations also quickly adapted to travel restrictions and has been managing key relationships virtually.

## ACTIONS TAKEN TO MAINTAIN AND FOSTER RELATIONSHIPS WITH SHAREHOLDERS

- successfully pivoted to virtual marketing
- delivered successful virtual Annual General Meeting, Investor Day & Board Shareholder engagement meetings
- kept shareholders informed of pandemic implications and business outlook



# INDUSTRY, GOVERNMENT AND OTHER EXTERNAL OUTREACH

The utility industry has been unified in its mission to provide safe, reliable service while putting employee health and safety first.

Fortis leveraged its strong existing relationship with industry, government and other key stakeholders to learn and share ideas related to COVID-19 response.

**These mutually beneficial connections provided leadership teams with quick and easy access to intelligence that greatly supported overall crisis response.**



**FORTIS.** Fortis Inc.  
@Fortis\_NA

It takes everyone pulling in the same direction during the pandemic to ensure the electricity/gas sectors operate well. Thank you Fortis EVP Gary Smith & @MECLPEI VP Enrique Riveroll for briefing @NRCan today on our supply chain. @CDNelectricity @cga\_acg #PoweringThruTogether



# CUSTOMER AND COMMUNITY



Karen McCarthy

Jessica Fisher

Jennifer Lawlor

jperry

Derrick Moore

Ellie

George Parsons

Rick Kelly

Gloria Slade

Emily - Kids Help Phone

Nora Duke

dhardy

Stephen\_White

Fortis Inc. contributed \$500,000 to support frontline COVID-19 community response efforts in Newfoundland and Labrador.

Joanne

iyuen

Kelly Leach

Garys iPad

Rene.Loveless

# CUSTOMER ASSISTANCE

Utilities have been reporting similar or increased customer satisfaction during the pandemic.

## CUSTOMER SUPPORT FOCUSED ON:



Adapting processes to protect **customer safety**.



Increasing **use of technology** in customer operations and services (e.g., gas relights, meter readings and exchanges, troubleshooting, contact centre virtual services).



Customer **outreach and communication** focused on safety and financial support.



## EXAMPLES OF CUSTOMER ASSISTANCE:

### Providing rate relief to customers:

- suspended service disconnects
- waived late fees
- offered flexible payment plans
- administered government relief programs

### Rescheduled rate adjustment processes:

- deferred planned rate increases
- delayed rate cases
- used regulatory account balances to lower bills
- delayed generic cost of capital review

# COMMUNITY SUPPORT

The Fortis group of companies invested more than \$15 million in our communities in 2020. This amount includes approximately \$5 million specifically for COVID-19 community support, such as food banks, mental health agencies and organizations providing personal protective equipment for essential workers.

Donations have supported a range of non-profit organizations, such as food banks, mental health agencies and those providing personal protective equipment for essential workers.



## EXAMPLES OF GIVING:

### ITC:

More than \$675,000 USD in disaster relief funding to support agencies in need throughout its seven-state footprint. The funding was distributed to food charities and to support mental health and substance abuse agencies.

### UNS/TEP:

\$1 USD million in bill payment assistance and other coronavirus relief efforts in the communities they serve. TEP also supported local nonprofit organizations impacted by the coronavirus pandemic by providing resources to a newly established relief fund and supporting an annual donation drive for charities.



### CENTRAL HUDSON

\$1 USD million in economic development grants to assist local small businesses. The utility also expanded its Good Neighbor Fund, a program that provides last resort grants toward utility bills for qualified households.

### FORTISALBERTA

\$100,000 CAD to food banks, women's shelters and indigenous communities to support the most vulnerable in its service area.

### BECOL

\$200,000 BZD to the COVID-19 Pandemic Response Initiative in Belize which supports the purchase of personal protective equipment for medical and support staff.

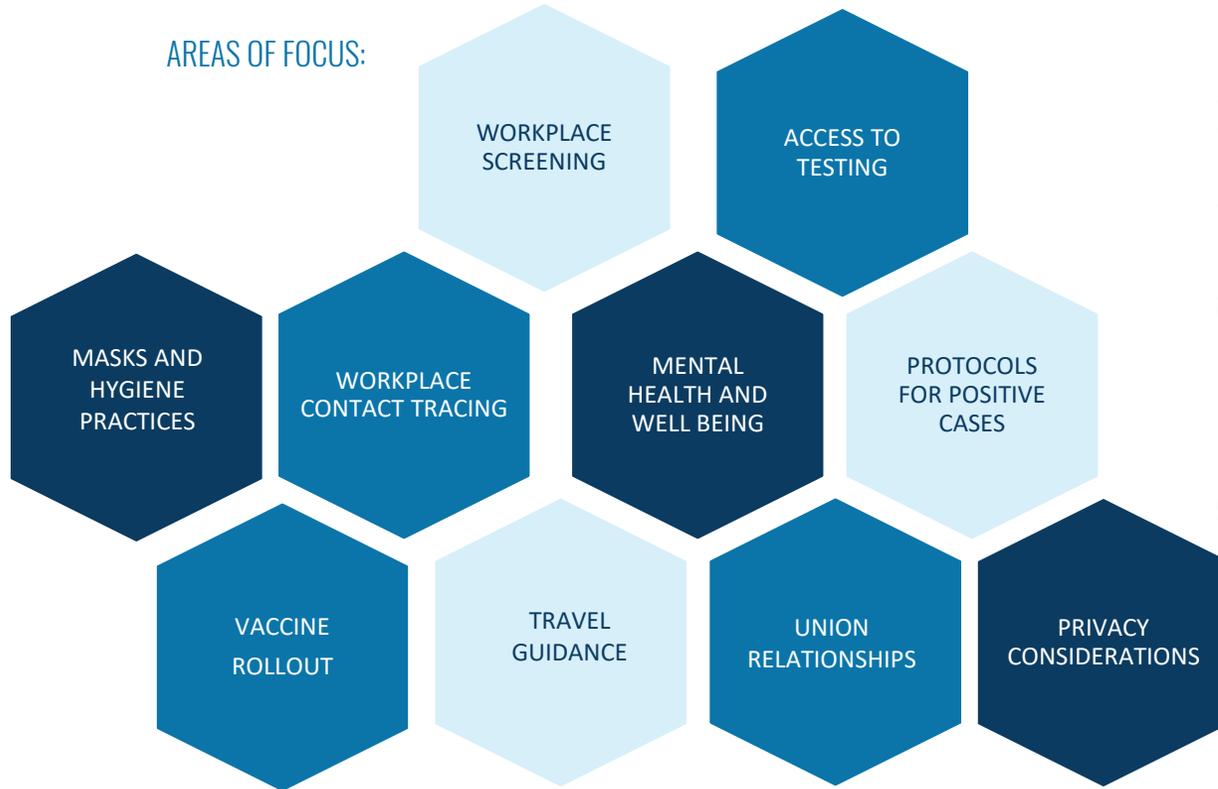
# WORKFORCE CONSIDERATIONS



# TAKING CARE OF OUR PEOPLE

Human Resource teams throughout the Company collaborated with legal and safety professionals to examine critical issues and put processes in place that guide and protect employees.

## AREAS OF FOCUS:



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# WORKFORCE RE-ENTRY

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**Working remotely continues to be a key mitigating action in several of our service territories where the virus remains prevalent.**

Fortis consulted with utilities and provided high-level guidance on responsible workforce re-entry.

All utilities have developed and shared responsible re-entry plans that include such protocols as: physical distancing requirements; masking protocols; daily health screenings, questionnaires and testing; visitor restrictions; and, cleaning and hygiene protocols.

Utilities are taking a phased, deliberate and thoughtful approach. Each utility re-entry stage varies depending on local conditions, public health guidance and subsidiary workplace considerations.



# LONG TERM PLANNING

In July, the Company conducted a situational analysis and determined that it was prudent to develop plans for operating through a pandemic beyond 2020.

HR and FOG have been working together to identify and address key operational and employee issues, including:

HEALTH AND SAFETY	WORKING REMOTELY	OPERATIONS	SUPPLY CHAIN	PEOPLE & WORKPLACE
<ul style="list-style-type: none"> <li>increase messaging including mental health and staying focused on the job</li> <li>vaccine onboarding strategy and a flu vaccine protocol</li> <li>refresh industry best practices for employee protection</li> </ul>	<ul style="list-style-type: none"> <li>evaluate technology needs to accommodate extended WFH</li> <li>cybersecurity vigilance and increased awareness training</li> <li>priority given to people and culture considerations</li> </ul>	<ul style="list-style-type: none"> <li>use of technology to fill gaps created by working remotely and create improved platform to share best practices</li> <li>refresh of best practices on PPE, testing, social distancing, cleaning, working aloft and in confined spaces</li> </ul>	<ul style="list-style-type: none"> <li>ensure suppliers have access to raw materials such as copper and aluminum</li> <li>assess capabilities of backup manufacturing plants</li> <li>stress test the forecast of materials ensuring suppliers have inventory for storm response and PPE</li> </ul>	<ul style="list-style-type: none"> <li>complacency/ COVID fatigue</li> <li>onboarding and talent management</li> <li>personal travel</li> <li>facility design changes</li> </ul>

A survey at the utilities in June identified over 200 innovations had been recorded since the start of the pandemic.



# FINANCIAL MANAGEMENT

# 2020 KEY FOCUS AREAS

**Our strong business strategy and business model positioned the Company well in 2020 despite the COVID-19 pandemic.**

## **Revenue Protection:**

- 83% of 2020 revenues are protected by regulatory mechanisms or from residential sales which have generally increased as a result of work-from-home practices

## **Financial Performance:**

- 2020 adjusted EPS was \$2.57, an increase of \$0.02 per share compared to 2019
- excluding the impact of the delay in TEP's general rate application, the pandemic did not have a material impact on the Company's capital expenditures, revenue or earnings in 2020
- impact of \$0.05 per common share generally reflected reduced sales in the Caribbean and higher net operating costs

## **Liquidity Strength:**

- strong liquidity position
- \$5.6B consolidated credit facilities, with \$4.3B unutilized as at December 31, 2020
- \$3.5B of debt issued in 2020
- inaugural green bonds at TEP and FortisBC

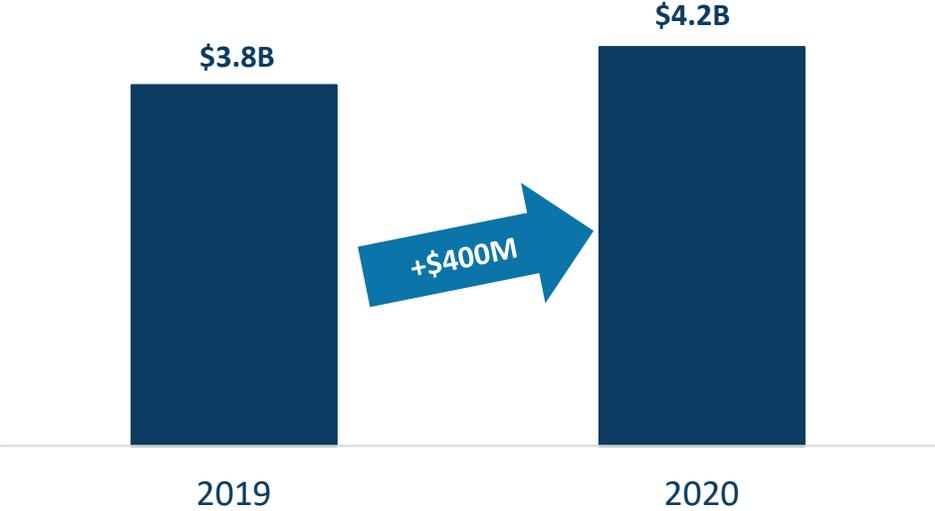
## **Dividend Guidance:**

- announced 6% average annual dividend growth guidance through 2025



# CAPITAL PROGRAM

Despite adjustments to work practices and the necessary rescheduling of some field work, the Company executed a record capital program of \$4.2 billion in 2020 yielding annual rate base growth of 8.2%.



Note: US dollar-denominated capital expenditures converted at USD:CAD foreign exchange rate of \$1.33 for 2019 and \$1.34 for 2020. Rate base growth percentage calculated using constant USD:CAD foreign exchange rate.





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Employee safety and well-being must remain paramount.