

2024 Annual and Special Meeting – May 2, 2024 – Forward-Looking Information

Fortis Inc. ("Fortis" or the "Corporation") includes forward-looking information in this presentation within the meaning of applicable Canadian securities laws and forward-looking statements within the meaning of the Private Securities Litigation Reform Act of 1995 (collectively referred to as "forward-looking information"). Forward-looking information reflects expectations of Fortis management regarding future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as anticipates, believes, budgets, could, estimates, expects, forecasts, intends, may, might, plans, projects, schedule, should, target, will, would, and the negative of these terms, and other similar terminology or expressions have been used to identify the forward-looking information, which includes, without limitation: forecast capital expenditures for 2024 and 2024-th2028, including cleaner energy investments; UNS Energy's Integrated Resource Plan; the 2050 net-zero greenhouse gas emissions target and how that target is expected to be achieved; planned coal retirements and the plan to exit coal generation by 2032; planned additions of wind and solar generation and energy storage by 2038 at Tucson Electric Power; plans to reduce fossil fuels with renewables and storage at Caribbean utilities; the nature, timing and benefits of certain capital projects, including Wataynikaneyap Transmission Power Project, regional transmission projects at ITC and investments in Arizona to support Tucson Electric Power's exit from coal; forecast rate base and rate base growth for 2024-2028; the expected sources of funding for the 2024-2028 capital plan, including the expected sources of common equity proceeds; annual dividend growth guidance through 2028; the expectation of delivering stable and compelling returns to shareholders over the long-term; expectations regarding the unlikelihood of the Corporation's investment in wind energy or LNG development in Newfoundland and Labrador; expected continuation of the Corporation's organic growth strategy, including various growth opportunities; the expectation that mergers and acquisitions are not required to meet dividend targets; and FortisBC's four-year budget and plans regarding energy efficiency and demand side management.

Forward looking information involves significant risks, uncertainties and assumptions. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking information, including, without limitation: the successful execution of the capital plan; no material capital project or financing cost overrun; sufficient human resources to deliver service and execute the capital plan; reasonable legal and regulatory decisions and the expectation of regulatory stability; no material changes in the assumed U.S. dollar to Canadian dollar exchange rate; no significant variability in interest rates; and the board exercising its discretion to declare dividends, taking into account the business performance and financial condition of the Corporation. Fortis cautions readers that a number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking information. These factors should be considered carefully, and undue reliance should not be placed on the forward-looking information. For additional information with respect to certain of these risks or factors, reference should be made to the continuous disclosure materials filed from time to time by the Corporation with Canadian securities regulatory authorities and the Securities and Exchange Commission. All forward-looking information herein is given as of the date of this presentation. Fortis disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Unless otherwise specified, all financial information is in Canadian dollars and rate base refers to midyear rate base.

REFINITIV STREETEVENTS

EDITED TRANSCRIPT

FTS.TO - Fortis Inc Annual Shareholders Meeting

EVENT DATE/TIME: MAY 02, 2024 / 1:00PM GMT

CORPORATE PARTICIPANTS

David Gerard Hutchens *Fortis Inc. - President, CEO & Director*

James R. Reid *Fortis Inc. - Executive Vice President, Sustainability & Chief Legal Officer*

Jo Mark Zurel *Fortis Inc. - Board Chair*

Jocelyn H. Perry *Fortis Inc. - Executive Vice President & CFO*

Stephanie A. Amaimo *Fortis Inc. - Vice President, Investor Relations*

CONFERENCE CALL PARTICIPANTS

Grant Dwyer

Gordon Payne

Tara Cole

Anthony Keeping

Chantelle Mugford

Dominic Foley

Denise O'Keefe

Jennifer Lawlor

Karen Wade

Susan Escott

Pat Hannaford

PRESENTATION

Stephanie A. Amaimo - *Fortis Inc. - Vice President, Investor Relations*

Good morning, and welcome to the 2024 Annual and Special Meeting of Shareholders of Fortis Inc. My name is Stephanie Amaimo, and I'm Vice President of Investor Relations with Fortis. I'd like to begin by acknowledging the land on which we gather today as the ancestral homeland of the Beothuk whose culture has now been erased forever. We also acknowledge the island of Ktaqmukuk known today as Newfoundland as the unceded traditional territory of the Beothuk and the Mi'kmaq.

At Fortis, we strive to be responsible stewards of the land and to respect the cultures, ceremonies and traditions of all who call it home. If you're joining us virtually today, please take a moment to acknowledge the First Peoples of the lands which you call home. I'm pleased to be joining you today to support the facilitation of our hybrid meeting. All shareholders, whether you are present in-person or online, you will be able to ask questions, vote and participate.

Before we call the meeting to order, I will briefly review the procedures regarding voting and asking questions. Registered shareholders and duly appointed proxyholders are eligible to vote during the meeting. If you've already voted ahead of the meeting, your vote has been counted and you do not need to vote again. If you've not yet voted and would like to cast your vote, shareholders in-person with us today can return their paper ballots to the scrutineers table at the back of the room.

Shareholders joining us virtually may vote online for each member brought forward at the meeting or matter brought forward at the meeting. To vote online, you must be logged in as a registered shareholder or appointed proxyholder. Further instructions can be found on the left-hand side of your screen.

And only registered shareholders and duly appointed proxyholders will be able to address the meeting and ask questions during the formal conduct of business. If you're here in-person today, please raise your hand and proceed to the nearest microphone as you can see here. And if you're online, you can click the messaging tab at the top of your screen and type your question.

We'll address questions that directly relate to the particular motion at the appropriate time of the meeting, and we will address general questions from either shareholders or guests following management's presentation. For questions submitted online, I will read the questions aloud and the Chair of the Board or our President and CEO, as appropriate, will respond. If we receive questions of a similar theme, we may combine them or otherwise paraphrase your questions in the interest of addressing as many questions as possible.

We have reserved approximately 20 minutes for questions and answers. We will also post a complete list of the questions received together with our responses, and this will be posted to our website following the meeting, including any questions that we're not able to address here today.

I will now invite the Chair of our Board, Jo Mark Zurel, to call this meeting to order.

Jo Mark Zurel - Fortis Inc. - Board Chair

Thank you, Stephanie. Good morning, everyone. I'm pleased to call this 37th Annual and Special Meeting of Fortis Inc. to order.

My name is Jo Mark Zurel. I'm the Chair of the Board of Directors of Fortis and will serve as Chair of this meeting.

On behalf of my Board colleagues, I'd like to welcome you all to the Fortis Energy Center. We'd also like to welcome everyone attending virtually via the Lumi meeting platform.

Before we get to the formal part of the agenda, I would like to briefly comment on some important areas of focus for the Board in 2023.

Fortis utilities delivered electricity and gas service safely and reliably to 3.5 million customers. The Board could not be prouder of the efforts of our 9,600 employees that serve our customers and communities while we progress towards a cleaner energy future.

We have continued to deliver strong financial results to shareholders. 2023 marked 50 years of consecutive dividend increases in annual dividends paid. You're probably getting tired of hearing that. Fortis is 1 of only 2 companies on the Toronto Stock Exchange to achieve this milestone.

We continue to enhance our sustainability disclosure and align with leading reporting frameworks. Our 2023 sustainability update includes details about the recently completed materiality assessment and our sustainability strategy. We also recently issued our 2024 climate report, which builds on our 2022 report and includes a more detailed account of climate risks, opportunities and critical assets.

We believe in the importance of fostering inclusive workplaces that reflect the communities where we live and work. Last year, we added new performance measures under our short- and long-term incentive plans reinforcing the importance of environmental, social and governance matters in executive compensation. These new measures underline Fortis' commitment to sound compensation principles that support company strategy good governance and strong sustainability leadership.

You will hear more about our performance and our plans for the future during management's presentation.

This year, all 12 director nominees currently serve as your Fortis Board of Directors. We believe that a diverse Board is a strong board. This year's nominated directors are highly qualified and bring a strong and diverse mix of skills, experience and perspectives representing various tenure and residency as well as gender and ethnic diversity.

As we reflect on our progress over the past year and the opportunities that lie ahead, your Board remains committed to ensuring a successful and sustainable Fortis for years to come.

With me at the podium this morning are David Hutchens, your President and CEO; Jocelyn Perry, EVP and CFO; and Jim Reid, EVP, Sustainability and CLO. Members of our Board of Directors and management team are present with us in-person today.

The formal business of this meeting will follow the agenda as set out in the notice of meeting, including the proxy circular with 5 main items of business. After the appointment of Secretary and scrutineers, we will begin with receiving the financial statements for the year ended December 31, 2023, followed by the election of your directors, the appointment of your auditors for 2024, together with the authorization of the directors to fix their remuneration and our annual advisory vote on the Company's approach to executive compensation. The final item of business will be the consideration by the shareholders of the resolution to approve a new omnibus equity plan and related matters.

As in prior years, to expedite the meeting, several shareholders have agreed to move and second the formal motions, and I will call on them at the appropriate times.

Following the conclusion of the formal portion of this meeting, we will hear from David and Jocelyn for remarks from management.

Computershare Trust Company of Canada acts as our transfer agent and registrar of our common shares.

And with your consent, I appoint Colleen Nielsen and Patricia Favron, of Computershare to act as Scrutineers for this meeting. I further appoint Jim Reid, EVP, Sustainability and CLO of Fortis to act as Secretary for this meeting.

I ask that Jim read the scrutineers report.

James R. Reid - Fortis Inc. - Executive Vice President, Sustainability & Chief Legal Officer

We have received an affidavit from Computershare, our transfer agent, that the documents required to be delivered to shareholders were mailed on or before March 28, 2024, to the shareholders of record as of March 15, 2024. The Scrutineers have confirmed that there is a quorum present. Notice of the meeting having been given within the time prescribed in the By-law and a quorum being present, I can confirm that this meeting is validly constituted for the transaction of business.

Jo Mark Zurel - Fortis Inc. - Board Chair

Thank you, Jim.

The Secretary has reported that Notice was properly given and that a quorum is present. I therefore declare this meeting validly constituted for the transaction of business. During the meeting, I may pause from time to time to check in with the Secretary as we coordinate both the in-person and virtual experience for our participants.

We will begin by presenting our consolidated financial statements for the year ended December 31, 2023. Our 2023 audited annual financial statements and accompanying management discussion and analysis were filed with applicable securities regulators and posted to our website on February 9, 2024, with copies mailed to shareholders who indicated their preference to receive a print copy. The unqualified opinion of your auditors, Deloitte LLP, is found on Page 3 of the financial statements.

I would ask that you hold any questions on the financial statements until after the presentation from David and Jocelyn.

Before we move to our next item of business, I'll take a moment to explain our voting practice. The majority of votes are voted by proxy in advance. These votes have been tabulated by Computershare up to the proxy cut-off time of 10:30 a.m. Newfoundland Daylight Time on Tuesday, April 30, 2024.

In addition to tabulating the number of proxies received in advance, we will also conduct a ballot vote to ensure that all shares voted at the meeting, both in-person and virtually, are tabulated and included in our reported voting results.

I am pleased to announce that all resolutions received strong support from shareholders who voted in advance. And since the majority of shareholders have voted by proxy, we can confirm that all matters to be considered by the shareholders at this meeting have been approved.

However, we will continue to tabulate all votes cast live during the meeting. And for those of you in the room receiving ballots to complete your voting, we ask that you pass your ballots to the Scrutineers or raise your hand so that your ballots may be collected. For those attending virtually and voting online during the meeting, we will open voting for all resolutions at the conclusion of the reading of the first motion. Voting will close after the reading of the final motion. As a reminder, if you have already voted by proxy, you do not need to vote again. Your vote has already been counted.

Now let's move to the election of directors for 2024. The Board of Directors of Fortis is proud to put forward 12 highly qualified candidates for election to the board this year. The nominated directors are pictured on the current slide and their biographies are included in the proxy circular. All of the nominated directors currently serve on the Board. Our slate of directors is committed, active and engaged and will work hard on your behalf to oversee the business of the Corporation.

All nominated directors are independent, except for David Hutchens, your President and CEO. The resolution to elect the directors is set out on Page 11 of the circular.

I call on Grant Dwyer to place the motion before us.

Grant Dwyer

I hereby move that Tracey C. Ball, Pierre J. Blouin, Lawrence T. Borgard, Maura J. Clark, Lisa Crutchfield, Margarita K. Dilley, Julie A. Dobson, Lisa L. Durocher, David G. Hutchens, Gianna M. Manes, Donald R. Marchand and Jo Mark Zurel be elected as directors of Fortis to hold office until the close of the next annual meeting or until their successors are elected or appointed.

Jo Mark Zurel - Fortis Inc. - Board Chair

I will ask Susan Escott to second the motion.

Susan Escott

I second the motion.

Jo Mark Zurel - Fortis Inc. - Board Chair

Thank you, Grant and Susan. We'll now proceed to a vote. I remind you that the Board of Directors and management recommend that you vote for all the nominated directors.

For those of you online who are registered shareholders or appointed proxyholders and have not yet voted and wish to vote during the meeting, you may do so now by selecting the polling icon on the navigation bar at the top of your screen.

For those of you in the room entitled to vote, if you haven't already returned your ballot, please raise your hand so that the scrutineer may collect it from you.

I am advised that the tabulation of the shares represented by proxy confirms that each of the nominees received more votes in favor than votes withheld and that no nominee received less than a 96% favorable vote. Based on the proxy vote, I can declare your directors elected.

I will now ask each of the directors present to stand as I call their name, and I ask that you hold your applause until I have introduced all of them. David Hutchens, Tracey Ball, Pierre Blouin, Larry Borgard, Maura Clark, Margarita Dilley, Julie Dobson. Lisa Durocher, Don Marchand. Lisa Crutchfield and Gianna Manes are attending virtually, and yours truly Jo Mark Zurel. This is your 2024 Fortis Board of Directors.

Our next item of business is to appoint the auditors for 2024 and to authorize the directors to fix their remuneration. I invite Gordon Payne to make a motion. The resolution is discussed on Page 11 of the circular.

Gordon Payne

I hereby move that Deloitte LLP be appointed auditors of Fortis until the close of the next annual meeting or until their successors are appointed and that the directors be and are hereby authorized to fix the remuneration of the auditors at such amount as they may in their discretion determine.

Jo Mark Zurel - Fortis Inc. - Board Chair

I will ask Tara Cole to second this motion.

Tara Cole

I second the motion.

Jo Mark Zurel - Fortis Inc. - Board Chair

Thank you, Gordon and Tara. Is there any discussion?

We'll now proceed to a vote. The Board of Directors and management recommend that you vote for the appointment of auditors.

Based on the proxy information we have received over 99% of the proxy votes were cast in favour of the appointment of Deloitte LLP as auditors. I therefore declare that Deloitte LLP are appointed auditors of Fortis Inc. for 2024 and that the directors are authorized to fix their remuneration.

The next item of business is the advisory vote on the Fortis approach to executive compensation.

As part of the Company's ongoing commitment to strong corporate governance practices, the board adopted an annual non-binding advisory vote to accept the Company's approach to executive compensation. The resolution is discussed on Page 12 of the circular.

I ask Chantelle Mugford to propose a resolution in this regard.

Chantelle Mugford

I hereby move on an advisory basis and not to diminish the role and responsibilities of the Board of Directors of Fortis, the shareholders of Fortis accept the approach to executive compensation as described in the compensation discussion and analysis section of the Management Information Circular of Fortis dated March 15, 2024.

Jo Mark Zurel - Fortis Inc. - Board Chair

I will ask Tony Keeping to second this motion.

Anthony Keeping

I second the motion.

Jo Mark Zurel - Fortis Inc. - Board Chair

Thank you, Chantelle, and Tony. Is there any discussion relating to this item of business?

We will now proceed to a vote. The Board of Directors and management recommend that you vote for the advisory vote on the Corporation's approach to executive compensation.

The proxy results indicate that over 92% of the shares voted by proxy accept the company's approach to executive compensation, and therefore, I declare the motion carried.

Our last item of formal business is a resolution approving a new Omnibus equity plan and related matters. The full text of the resolution is set forth on Pages 12 to 14 of the Circular.

To be effective, the resolution must be approved by an ordinary majority of the votes. In other words, 50% plus 1, cast by or on behalf of shareholders by proxy or present at the meeting.

I ask Dominic Foley to propose the resolution in this regard.

Dominic Foley

I hereby move that the ordinary resolution, which is set out on Pages 13 and 14 of the Management Information Circular of Fortis dated March 15, 2024, be approved and adopted.

Jo Mark Zurel - Fortis Inc. - Board Chair

I will ask Karen Wade to second this motion.

Karen Wade

I second the motion.

Jo Mark Zurel - Fortis Inc. - Board Chair

Thank you, Dominic and Karen. Is there any discussion relating to this item of business?

We'll now proceed to a vote. The Board of Directors and management recommend that you vote for the resolution approving the new Omnibus equity plan and related matters.

The proxy results indicate that over 95% of the shares voted by proxy approved the Company's Omnibus equity plan and related matters, and therefore, I declare the motion carried.

All motions have been voted motions to be voted on have now been moved and seconded, and based upon proxy results, have been carried. We will now proceed to close online voting for this meeting and will ask the scrutineers to confirm to the secretary the results of the voting.

While this is taking place, I would like to thank our shareholders who voted this year, whether you voted today or in advance of the meeting. We appreciate your continued participation. I will now ask our Secretary to confirm the voting results of the 4 resolutions placed before the meeting this morning. Final voting results will be published this afternoon in a media release that will be available on the Fortis website as well as filed on SEDAR+ and EDGAR.

Secretary, can you please confirm the results of the motions?

James R. Reid - Fortis Inc. - Executive Vice President, Sustainability & Chief Legal Officer

Mr. Chair, based on votes received by proxy prior to the proxy cut-off time and votes received online and in person today, all motions have been carried.

Jo Mark Zurel - Fortis Inc. - Board Chair

Thank you, Jim. Based on the report of the Secretary, I confirm all motions brought before this meeting this morning have been carried. This concludes the formal business of the meeting, but before I pass over to Dave and Jocelyn -- before -- for final comment note. Dave and Jocelyn, for management's presentation, I will ask Denise O'Keefe for a motion to terminate.

Denise O'Keefe

I hereby move that the meeting be terminated.

Jo Mark Zurel - Fortis Inc. - Board Chair

Will Jennifer Lawlor second the motion.

Jennifer Lawlor

I second the motion.

Jo Mark Zurel - Fortis Inc. - Board Chair

Thank you, Denise and Jennifer. I declare this 37th Annual and Special Meeting of Fortis Inc. closed. I will be back with a couple of wrap-up comments at the end.

Stephanie A. Amaimo - Fortis Inc. - Vice President, Investor Relations

Thank you, Jo Mark. (Operator Instructions). Please note that David and Jocelyn's statements this morning may include forward-looking information. Details regarding forward-looking information are on screen and can also be found in our 2023 Management Discussion and Analysis and as

updated in our first quarter report to shareholders. Actual results can differ materially from our forecast projections included in the forward-looking information presented today.

Unless otherwise indicated, all financial information references are in Canadian dollars.

I will now pass things over to David and Jocelyn for management's presentation.

David Gerard Hutchens - *Fortis Inc. - President, CEO & Director*

Thank you, and good morning, everyone.

I'll begin by introducing members of the Fortis senior leadership team who are joining us in person today. Please stand as I call your name. Previously introduced by Jo Mark, we have Jocelyn Perry, Executive Vice President and Chief Financial Officer; and Jim Reid, Executive Vice President, Sustainability and Chief Legal Officer. I'd also like to introduce Gary Smith, Executive Vice President, Operations and Innovation; and Stuart Lochray, Senior Vice President, Capital Markets and Business Development.

The CEOs from across our group of companies and representatives of their Boards are joining us virtually today. Our operating model is built on local leadership. Fortis utilities have their own executive teams and independent Board of Directors. They focus on their communities and customers and work closely with regulators. This approach has fueled Fortis' continued growth and success.

Thank you all for your leadership, guidance and commitment to making Fortis a premium North American utility.

Our companies operating in 18 jurisdictions across North America, remain united by a shared purpose to deliver a cleaner energy future while providing safe, reliable and affordable energy for our customers. Together, we delivered strong operational and financial results in 2023.

As Jo Mark mentioned, Fortis celebrated a tremendous milestone just last fall. You're going to hear this more than once. 50 consecutive years of increases in dividends paid to our shareholders. We are very proud of this accomplishment, which is a testament to the resilience of our company and our people. We're focused on extending this track record as we execute our regulated growth strategy. Jocelyn will speak more about our financial performance during her remarks.

Fortis' 9,600 employees played a pivotal role in delivering results for our customers in 2023. Despite new peaks in energy usage due to extreme cold and hot temperatures and more frequent weather events, we continued to deliver electricity and gas service safely and reliably to our 3.5 million customers.

Last year, we concluded key regulatory applications in Arizona, British Columbia and Alberta. We invested \$4.3 billion of capital in our regulated energy systems, mainly focused on system resiliency, grid modernization and clean energy.

As we make the necessary investments in our utilities and transition to cleaner energy, we remain focused on customer bill impacts. Our teams embrace innovation and process improvements to help control operating costs. We also help our customers manage their bills through energy efficiency and demand-side management programs. FortisBC will invest \$600 million over the next 4 years in energy conservation initiatives that will reduce greenhouse gas emissions and lower energy cost for customers.

As energy demand and extreme weather events increase, strengthening the grid is more important than ever. Fortis is making responsible investments to get as clean as possible as fast as possible.

In November, UNS Energy's utilities filed their Integrated Resource Plans, outlining how they expect to more than double their energy resources over the next 15 years with new wind, solar, natural gas and storage systems.

ITC is making significant investments in major transmission projects to help serve future energy demands with a 5-year capital plan of \$7.2 billion.

Our Scope 1 emissions are now 33% below 2019 levels, and our emissions reduction targets are on track and support our 2050 net-zero goal. Fossil fuel generation constitutes only 5% of our assets, and we are targeting these emissions. Tucson Electric Power expects to retire its remaining coal generation by 2032 and plans to add over 2,200 megawatts of wind and solar generation and 1,300 megawatts of energy storage by 2038. They also plan to add 400 megawatts of natural gas to help offset the capacity lost from coal plant retirements and support higher use of wind and solar energy and growing customer demand. Paths to reduce fossil fuel with renewables and storage are also being planned at our Caribbean utilities.

Fortis is preparing for more frequent extreme weather events that have the potential to impact our customers, communities and infrastructure.

To support our strong track record of managing climate events, we are investing in grid resiliency and analyzing future climate scenarios to understand how our operations might be affected. Our 2024 Climate Report includes a detailed climate analysis across Fortis utilities using different scenarios and time frames.

We continue to support energy policy development and work with regulators, government and industry to advance the broader clean energy transition. We are partnering with Electric Power Research Institute, the Canadian Standards Association and others in our industry to address climate adaptation, improve design standards and deliver innovative solutions throughout the energy system.

Fortis also continues to foster meaningful partnerships with First Nations who play a critical role in the energy transition. In 2023, FortisBC was awarded the Silver-level designation and Progressive Aboriginal Relations by the Canadian Council of Aboriginal Business.

Wataynikaneyap Power is a transmission company majority-owned by 24 First Nations in partnership with Fortis. We are constructing an 1,800-kilometer transmission line to connect 17 remote First Nation communities to the Ontario power grid. This is Canada's largest First Nations grid connection project. It will improve the quality of life for people in these communities and is one of the most important projects that Fortis has ever been involved in. CEO, Margaret Kenequanash; and Board Chair, Frank McKay, are here today. I'll ask you to please stand so we can recognize you. In 2023, our teams were thrilled to connect an additional 7 communities to the grid. Construction of this project is now 99% complete and scheduled to finish this year.

Now I'll turn things over to Jocelyn for an update on our financial performance.

Jocelyn H. Perry - Fortis Inc. - Executive Vice President & CFO

Thank you, David. I realize I don't get walk-on music. So good morning, everyone. Thank you for joining us. I'll begin my presentation today with a look at our 2023 results.

As David mentioned, Fortis delivered another year of strong financial results. We reported annual net earnings of \$1.5 billion, invested \$4.3 billion of capital to service our customers and completed the sale of Aitken Creek to further strengthen our balance sheet.

Rate base growth and key regulatory decisions in British Columbia and Arizona supported year-over-year earnings growth. Reported earnings per share were \$3.10, \$0.32 higher than in 2022. And adjusted earnings per common share were \$3.09, reflecting 9% growth over 2022.

On November 1st, we completed the sale of the non-regulated Aitken Creek natural gas storage facility for approximately \$470 million. Net proceeds from this transaction provided additional funding flexibility, which supports our regulated growth strategy.

We released our first quarter results yesterday. Net earnings were \$459 million or \$0.93 per common share. During the quarter, we invested \$1.1 billion of capital in our systems and our annual \$4.8 billion capital plan remains on track.

As we look forward, our \$25 billion 5-year capital plan is the largest in our Company's history. It's \$2.7 billion higher than our previous plan and represents 6.3% average annual rate base growth through 2028.

The increase largely reflects regional transmission projects at ITC and investments in Arizona to support Tucson Electric Power's exit from coal.

Our capital plan focuses on customer affordability while ensuring reliable energy delivery as we transition to a cleaner energy future.

In 2023, we issued approximately \$3 billion of debt to refinance maturing debt and fund our capital program. With proceeds from our debt issuances, the sale of Aitken Creek and over \$4 billion available on our credit facilities, we remain in a strong liquidity position to execute on our \$25 billion capital plan.

Equity funding for our capital plan is expected from our dividend reinvestment plan with a \$500 million at-the-market equity program available for additional funding flexibility.

As David noted, and I will note, we increased our fourth quarter dividend by 4.4%, marking 50 consecutive years of increases in annual dividends paid.

We remain focused on extending this record as we execute our regulated growth strategy in support of our annual dividend growth guidance of 4% to 6% through 2028. And despite a challenging year for the utility sector, our annual total shareholder return in 2023 ranked in the top quartile of our utility peer group. And over a 20-year period, Fortis has yielded an average annual total shareholder return of 10.7%. We have a solid plan as we look forward, and we expect to continue to deliver stable and compelling returns over the long run.

With that, I'll turn things back to David.

David Gerard Hutchens - Fortis Inc. - President, CEO & Director

I have a hunch, we'll have a second walk on music come next year. Thank you, Jocelyn. As we focus on our purpose to deliver a cleaner energy future, our values will continue to guide our actions, values like taking care of our employees and our communities.

In 2023, Fortis Companies contributed approximately \$11 million and countless volunteer hours to the communities we proudly serve. This includes a \$1 million sponsorship of the 2025 Canada Summer Games, which will take place right here in our home base St. John's, Newfoundland and Labrador.

We appreciate the contributions of every employee who helped make last year a success. We are proud of your dedication and commitment to our customers and the communities that we serve. Thank you.

For 2024 and beyond, we are focused on executing our regulated growth strategy and continuing our operational and financial success.

Thank you to our shareholders for your continued support and investment in our company.

I'll now turn things over to Stephanie to begin the Q&A session.

QUESTIONS AND ANSWERS

Stephanie A. Amaimo - Fortis Inc. - Vice President, Investor Relations

Thank you, David and Jocelyn. We will now move to the question-and-answer period. So to begin, we do have a couple of questions online, but I thought I'd open it up to the room to see if anyone has any questions here today.

Unidentified Shareholder

(inaudible) shareholder. First of all, I'd like for you, if you could elaborate more on the sale of with Aitken Creek. The second, what in the future do you hold for the wind energy which is now extensively in the province of Newfoundland and Labrador with many going up around the province. And what part, if any, will we be playing in that?

David Gerard Hutchens - Fortis Inc. - President, CEO & Director

Great. Thanks. So the first question is related to our Aitken Creek sale. And that was one of our very few unregulated assets, and we found a buyer that was Enbridge that we thought could get and they thought as well that they could create more value with that asset than we could. It was a great opportunity for us to sell that asset to them, take that money from an unregulated asset and use that money to invest in our regulated utility infrastructure. So it was a very good trade for us and a great opportunity for us to realize value for our shareholders.

The question on wind here in Newfoundland and Labrador, there's been a lot of conversations around wind and hydrogen, et cetera here in this province. We are not involved in that type of development for a couple of reasons. One, it's probably not the right risk and return profile that our customers are looking for. That would be what we just sold in Aitken Creek, which is an unregulated asset. There is -- there could be possibility, but that would take a lot of change here in Newfoundland and Labrador for us to be able to invest in that in rate base. That's where we like to invest in those renewable energy projects. And that's where we think that our investors like us to invest. So we are paying attention to looking for opportunities around the fringes for things that we can do within our regulated infrastructure, transmission lines, distribution and things that can support that but we have not been actively involved in that.

Stephanie A. Amaimo - Fortis Inc. - Vice President, Investor Relations

Great. Maybe I will open it up to one question online, and I will read these questions that were submitted online. But -- so the first one comes from Mr. Derrick Hutchens. Ever since this company was incorporated, has always been about growth. In recent years, organic growth has been the buzzword. How much more and for how long can shareholders expect this type of growth to support your dividend policy before you need to seek acquisitions?

David Gerard Hutchens - Fortis Inc. - President, CEO & Director

Yes, that's a great question. So this is where I talk to Mr. Hutchens from Mr. Hutchens, so it gets a little bit confusing. But thank you very much for that question, Mr. Hutchens. I appreciate that you're looking at that growth the same way that we're looking at it. The opportunity that we see from a regulated growth opportunity. That has been our focus, organic growth within our regulated utilities. We think that, that is the best way, the best value, the best risk/return wave that we can invest our shareholders' money. That's why we're focused on the regulated utilities. So growing through those regulated utilities is the way to go. So the question is, well, how long can that go? And how much more is there?

Well, this is an extremely long runway for investments in energy infrastructure as we sit here today and look out 5, 10, 15, even 20 years, and look into that future and see how much clean energy -- how much growth the clean energy transition is going to provide for our utilities. We have a lot of growth. It includes every single utility because it's electrification. We're a 93% transmission and distribution company. So as you look at electrification, whether it's homes, whether it's electric vehicles, whether it's industry. We provide the infrastructure that will grow to meet those demands. When you think of the clean energy transition from shutting down coal and some natural gas and shifting to electricity and renewables and storage and other generation sources. That was the story I just mentioned at UNS Electric and what Tucson Electric Power is doing. So those are a very long and robust runway for us to invest on a going-forward basis. So we do not see the necessity for M&A to meet those dividend growth targets that we have.

Now all of that being said, we always pay attention to the markets and look for value for our shareholders. But right now, that focus is on that \$25 billion capital plan and continuing to execute that like we've been executing the capital plan for decades.

Stephanie A. Amaimo - Fortis Inc. - Vice President, Investor Relations

Thank you. Any further questions here in the room?

Pat Hannaford

Good day. I'm Pat Hannaford. I'm retiree of Fortis and Light and Power. I guess -- but my -- I don't know if I have a question per se, but an observation, yes, on the consecutive or executive pay. And just to put it in context, I think it might be time to broaden the metrics about how you do the job. For example I'm retired now 25 years. And I make -- my pension is not indexed for one thing. So it's -- as time goes by, it's increasingly not having much of effect on my budget, for example. But -- and when I -- when we -- when I reach the age of 65, of course, that pension got clawed back. And now to speak for a bunch of people like myself that are out there, right? And lost our dental plan. But the bottom line is like I make -- right now, my Canada pension and my old age security is just about equal with my company pension. And it's getting worse as time goes on, as I indicated. Now we've tried to push this thing a little before Newfoundland Power.

And I realized what the protocols are with you, they are own entity independence, some independence. But it's time, I think that -- and to give credit where credit is due. Over the last few years, I just don't remember how many. But I remember since I've been retired, I have a couple of -- maybe 3, 4 at the most, \$300. The last couple were \$500. But I think it's time to -- maybe if you guys could get the message to Light and Power that guys, there's a lot of people out there. They're not a lot because we're winding. I'm one of a few left but there are other people out there, quite old. And directionally, with the pensions they have, they're actually pretty close, I would say, at the poverty line. And with Newfoundland Power is the mother I say at Fortis -- this is where it all started. And when I think of some of the contributions people made to this company, like Lyme and who were back in the day when I first started, every huge project you had, if it came to be a few million dollars or \$50 million.

There was always a good chance that somebody would be killed, electrocuted or killed on the job. That came with the territory, thank God, that kind of stuff with safety now has been ameliorated. But still just saying that these guys contributed amply. Some of them are still alive, actually, but that contributed all this hard work and stuff. But that's neither here nor there. I guess all I'm saying is that when I look at executive pay. And I realize I want to congratulate you on a good year again. And Fortis is a real good company. And I have a few shares not enough to warrant going out and buying my yacht yet. But -- just let me see here. Yes, my gross pension is \$18,900. So that comes out to be right now about \$688 every 2 weeks. But anyway, and when I look at the executive pay.

It's a big, big, big, big stretch. And it could be a little bit closer, I think, that's all what I'm asking is with Fortis just have a discussion and say, "Guys, look, there's need to look at this." And maybe with your own situation, when you're devising the metrics or whatever for executive pay, maybe with that, I know you have a lot of metrics in there in different ways, and you look at different things. But we're here and we're part of the Company or the Company that was then I think it's time maybe to one, up the amount of the pension that we have and then index it because that was a I'm not doing well at all. And we come from a good company and Fortis is very -- doing very well. I think it's about time we had a look anyway.

David Gerard Hutchens - Fortis Inc. - President, CEO & Director

Well, first of all, let me thank you for your service to our company at Newfoundland Power. As I am reminded every time I talk to someone from Newfoundland Power and there's a few in this room, they remind me that's where it all started. And so that is the slogan of Newfoundland Power. It's where it all started. And I do understand the issue. It's not new to me to hear this. It's not new across our subsidiaries. Pension plans have been different across all of -- I mean, we've got 10 different utilities and pension plans that have changed. And each one of those utilities has different pension plans because they change over time. We do leave that up to the local management teams and those boards of those local companies to make sure that they're managing those situations just because you can't create like a one pension plan across our entire footprint.

So it is. And then it's definitely different by our utilities as well. some of the jobs, some of the businesses are different. But -- so we do leave those decisions up to the local management, and I can tell because I see them sitting here that they heard you and will, I'm sure, take that back. So thank you very much for the commentary. And again, appreciate you being part of the Fortis family even if it was before I joined.

Pat Hannaford

I hope the representatives of the Light and Power are listening.

David Gerard Hutchens - Fortis Inc. - President, CEO & Director

Yes, I'm sure they were.

Stephanie A. Amaimo - Fortis Inc. - Vice President, Investor Relations

Well, thank you. We have 2 more questions here online. So maybe I'll take the next one. We have another one from Mr. Derrick Hutchens. With the major oil fields off the coast of Newfoundland, is there any opportunity for LNG development in Newfoundland and Labrador?

David Gerard Hutchens - Fortis Inc. - President, CEO & Director

So my answer would be, yes, I guess, probably the real underlying question is, are we going to be involved or interested in it, which would kind of go akin to the conversation around wind power development. LNG, obviously, is something that comes from the North Sea and the oil development process there. And I've actually not had any conversations really with anybody other than theoretical use of LNG and capturing that and using it for to ship somewhere, either east or west, east of Europe or west of here. But we have not been involved in any of those conversations nor would it fit necessarily or the structure of investment that we're looking for. But it is a possibility if that's the question, just not for us, to be clear.

Stephanie A. Amaimo - Fortis Inc. - Vice President, Investor Relations

So here's another online question we received from a shareholder, Keith Veerman. The City of Vancouver has announced a decarbonizing program, starting with large commercial buildings, which includes a \$350 ton penalty for CO2 emissions, literally double the ultimate Canadian GHG carbon tax of \$170 per ton. How will FortisBC address this increased pressure to decarbonize our economy?

David Gerard Hutchens - Fortis Inc. - President, CEO & Director

Yes. So in British Columbia, we -- that's where we have our largest gas company. Serves over 1.1 million customers and we are extremely focused on following along with the CleanBC plan and decarbonizing our natural gas in the same pace and with the affordability and reliability requirements that we talk about on the electric side. So there is a lot of activity going on in British Columbia related to a couple of things. People, I think, sometimes forget that just like clean electrons, renewables instead of, say, coal plant producing the power. The same can be said for clean molecules instead of natural gas, natural CH4, you can have renewable natural gas, which is carbon neutral or even carbon negative.

So those are the things in the programs that we are focused on. So the \$600 million 4-year budget that FortisBC has is really around energy efficiency and demand side management. So that's the first thing you got to do is you got to reduce the amount of energy you use and then figure out how we can use the gas system more efficiently and how we can get as many of those green molecules, whether it's RNG, hydrogen maybe in some cases as well to be able to offset those greenhouse gas emissions.

Stephanie A. Amaimo - Fortis Inc. - Vice President, Investor Relations

Great. Any further questions here in the room? Having received no further questions, this concludes our Q&A session. I would like to turn it over to Jo Mark for final comments.

Jo Mark Zurel - Fortis Inc. - Board Chair

Thank you, Stephanie. First, thank you very much for the questions today. They are an important part of this annual and special meeting. As well, thank you to everyone who helped organize this hybrid meeting, including Fortis employees and the audiovisual teams. On behalf of the Board of Directors, we would like to thank the entire Fortis team, including the folks in our operating companies for our continued strong performance in 2023. Finally, I would like to thank our shareholders and other stakeholders who participated both in person and online today.

With that, I will declare the meeting adjourned. Thank you.

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