No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and thereby only by persons permitted to sell such securities.

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. *Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of the Corporation at Suite 1201, 139 Water Street, St. John's, Newfoundland and Labrador A1B 3T2 (telephone (709) 737-2800) and are also available electronically at www.sedar.com. The securities being offered under this short form prospectus have not been and will not be registered under the United States Securities Act of 1933, as amended, or any state securities laws, and, except in limited circumstances, will not be offered or sold within the United States or for the account or benefit of United States persons. See "Plan of Distribution".*

SHORT FORM PROSPECTUS

New Issue June 8, 2011

FORTIS INC.

FORTIS

$300,300,000

9,100,000 COMMON SHARES

This short form prospectus (the "Prospectus") qualifies for distribution (the "Offering") 9,100,000 common shares (the "Offered Shares") of Fortis Inc. ("Fortis" or the "Corporation") which are being offered and sold pursuant to the provisions of an underwriting agreement (the "Underwriting Agreement") dated June 1, 2011 between Fortis and Scotia Capital Inc. ("Scotia Capital"), RBC Dominion Securities Inc. ("RBCDS"), BMO Nesbitt Burns Inc. ("BMO Capital Markets"), CIBC World Markets Inc. ("CIBCWM"), National Bank Financial Inc. ("NB Financial"), TD Securities Inc. ("TDSI"), HSBC Securities (Canada) Inc. ("HSBC Securities") and Beacon Securities Ltd. (collectively, the "Underwriters"). The Offered Shares will be issued and sold by Fortis to the Underwriters at the price of $33.00 (the "Offering Price") per Offered Share. The Offering Price was determined by negotiation between the Corporation and the Underwriters.

The Underwriters may offer the Offered Shares at a lower price than the Offering Price. See "Plan of Distribution".

The Toronto Stock Exchange (the "TSX") has conditionally approved the listing on the TSX of the Offered Shares distributed under this Prospectus. Listing will be subject to the Corporation fulfilling all of the listing requirements of the TSX on or before August 28, 2011. On June 7, 2011, the closing price of the common shares of Fortis on the TSX was $32.10.

Investing in the Offered Shares involves certain risks that should be considered by a prospective purchaser. See "Risk Factors".

Price: $33.00 per Common Share

	Price to the Public	Underwriters' Fee	Net Proceeds to Fortis(1)(2)
Per Common Share	$33.00	$1.32	$31.68
Total	$300,300,000	$12,012,000	$288,288,000

(1) Before deducting expenses of the Offering estimated at $600,000 which, together with the Underwriters' Fee (as defined herein), will be paid out of the general funds of Fortis. See "Plan of Distribution".

(2) The Corporation has granted to the Underwriters an option (the "Over-Allotment Option"), exercisable in whole or in part at any time until 30 days following the date of closing of the Offering, to purchase at the Offering Price up to 1,365,000 additional Offered Shares (the "Additional Shares") to cover over-allotments, if any, and for market stabilization purposes. If the Over-Allotment Option is exercised in full, the total "Price to the Public", "Underwriters' Fee" and "Net Proceeds to Fortis" will be $345,345,000, $13,813,800 and $331,531,200, respectively. See "Plan of Distribution". This Prospectus also qualifies the grant of the Over-Allotment Option and the distribution of the Additional Shares issuable on the exercise of the Over-Allotment Option. References to Offered Shares include any Additional Shares unless otherwise noted or unless the context precludes such inclusion.

A purchaser who acquires Offered Shares forming part of the Underwriters' over-allocation position acquires those securities under this Prospectus, regardless of whether the Underwriters' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Underwriters' Position	**Number of Shares Available**	**Exercise Period**	**Exercise Price**
Over-Allotment Option	1,365,000	Within 30 days following the closing of the Offering	$33.00 per share

Each of Scotia Capital, RBCDS, BMO Capital Markets, CIBCWM, NB Financial, TDSI and HSBC Securities is a subsidiary of a Canadian chartered bank that has, either solely or as a member of a syndicate of financial institutions, extended credit facilities to, or holds other indebtedness of, the Corporation and/or its subsidiaries. A portion of the net proceeds from the Offering will be used towards repaying indebtedness under a credit facility owing by the Corporation to certain of such banks or their affiliates. **Consequently, the Corporation may be considered a "connected issuer" of these Underwriters within the meaning of applicable securities legislation. See "Use of Proceeds" and "Plan of Distribution".**

The Underwriters, as principals, conditionally offer the Offered Shares, subject to prior sale, if, as and when issued by Fortis and accepted by the Underwriters in accordance with the conditions contained in the Underwriting Agreement and subject to the approval of certain legal matters on behalf of the Corporation by Davies Ward Phillips & Vineberg LLP, Toronto and McInnes Cooper, St. John's and on behalf of the Underwriters by Stikeman Elliott LLP, Toronto. Subject to applicable laws, the Underwriters may, in connection with the Offering, over-allot or effect transactions which stabilize or maintain the market price of the Offered Shares at levels other than those which may prevail on the open market. Such transactions, if commenced, may be discontinued at any time. See "Plan of Distribution".

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of the Offering (the "Closing") will take place on or about June 15, 2011 (the "Closing Date"), or such other date as may be agreed upon by the Corporation and the Underwriters, but not later than July 20, 2011. Certificates evidencing the Offered Shares will be available for delivery at the Closing or shortly thereafter.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This prospectus (the "Prospectus"), including the documents incorporated herein by reference, contains forward-looking information which reflects management's expectations regarding the future growth, results of operations, performance, business prospects and opportunities of Fortis Inc. ("Fortis" or the "Corporation"), and 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 information currently available to the Corporation's management. The forward-looking information in this Prospectus, including the documents incorporated herein by reference, includes, but is not limited to, statements regarding: the expected timing of filing of regulatory applications and of receipt of regulatory decisions; the expectation that cash required to complete subsidiary capital expenditure programs will be sourced from a combination of cash from operations, borrowings under credit facilities, equity injections from Fortis and long-term debt issues; the expected total capital cost for the construction of the 335-megawatt ("MW") hydroelectric generating facility adjacent to the existing Waneta plant in British Columbia (the "Waneta Expansion") and its expected completion date; the expectation that organic earnings' growth for the Corporation's regulated utilities in Canada will be primarily driven by rate base growth at FortisAlberta Inc. and FortisBC Inc.; the expected timing of the close of the sale of the joint-use poles at Newfoundland Power Inc.; consolidated forecasted gross capital expenditures for 2011 and in total over the five-year period from 2011 through 2015; the expectation that the Corporation's significant capital program should drive growth in earnings and dividends; expected average annual consolidated long-term debt maturities and repayments over the next five years; the expectation that the Corporation and its utilities will continue to have reasonable access to capital in the near to medium terms; the expected 2% growth in electricity sales for 2011 at the Corporation's regulated utilities in the Caribbean; the expected average annual energy production from the Macal River in Belize; the nature, timing and amount of certain capital projects and their expected costs and time to complete; the expectation that the Corporation's subsidiaries will be able to source the cash required to fund their 2011 capital expenditure programs; the expectation that there will be no material increase in consolidated interest expense and/or fees associated with renewed and extended credit facilities in 2011; expected earnings' contribution from Belize Electricity Limited ("Belize Electricity") in the course of normal operations to the consolidated earnings of Fortis; the estimated impact a decrease in revenue at Fortis Properties Corporation's Hospitality Division would have on basic earnings per common share; the expected impact of a change in the US dollar-to-Canadian dollar foreign exchange rate on basic earnings per common share in 2011; the expectation that counterparties to the FortisBC Energy companies' gas derivative contracts will continue to meet their obligations; except for debt at Belize Electricity and Exploits River Hydro Partnership ("Exploits Partnership"), the expectation that the Corporation and its subsidiaries will remain compliant with debt covenants during 2011; no expected material adverse credit rating actions in the near term; the anticipated completion of the acquisition (the "Acquisition") by the Corporation of Central Vermont Public Service Corporation ("CVPS") (see "Recent Developments — Agreement to Acquire Central Vermont Public Service Corporation"); the expectation of an increase in consolidated defined benefit net pension cost for 2011; the expectation that Fortis will become a U.S. Securities and Exchange issuer by December 31, 2011; and the expected impact of the transition to U.S. generally accepted accounting principles. The forecasts and projections that make up the forward-looking information are based on assumptions which include, but are not limited to: the receipt of applicable regulatory approvals and requested rate orders; no significant operational disruptions or environmental liability due to a catastrophic event or environmental upset caused by severe weather, other acts of nature or other major events; the continued ability to maintain the gas and electricity systems to ensure their continued performance; no material capital project and financing cost overrun or delay related to the construction of the Waneta Expansion; no significant decline in capital spending in 2011; no severe and prolonged downturn in economic conditions; sufficient liquidity and capital resources; the continuation of regulator-approved mechanisms to flow through the commodity cost of natural gas and energy supply costs in customer rates; the continued ability to hedge exposures to fluctuations in interest rates, foreign exchange rates and natural gas commodity prices; no significant variability in interest rates; no significant counterparty defaults; the continued competitiveness of natural gas pricing when compared with electricity and other alternative sources of energy; the continued availability of natural gas and fuel supply; the continued ability to fund defined benefit pension plans; the absence of significant changes in government energy plans and environmental laws that may materially affect the operations and cash flows of the Corporation and its subsidiaries; maintenance of adequate insurance coverage; the ability to obtain and maintain licences and permits; retention of existing service areas; maintenance of information technology infrastructure; the receipt of CVPS shareholder, regulatory and other approvals required in connection with the Acquisition; favourable relations with First Nations; favourable labour relations; and sufficient human resources to deliver service and execute the capital programs. The forward-looking information is subject to risks, uncertainties and other factors that could cause actual results to differ materially from historical results or results anticipated by the forward-looking information. Factors which could cause results or events to differ from current expectations include, but are not limited to: regulatory risk; operating and maintenance risks; capital project budget overrun, completion and financing risk in the Corporation's non-regulated business; economic conditions; capital resources and liquidity risk; weather and seasonality; commodity price risk; derivative financial instruments and hedging; interest rate risk; counterparty risk; competitiveness of natural gas; natural gas and fuel supply; defined benefit pension plan performance and funding requirements; risks related to the development of the FortisBC Energy (Vancouver Island) Inc. franchise; environmental risks; insurance coverage risk; loss of licences and permits; loss of service area; risks relating to the completion of the Acquisition and the realization of the anticipated benefits of the Acquisition; the risk of transition to new accounting standards that do not recognize the impact of rate-regulation; changes in tax legislation; information technology infrastructure; an ultimate resolution of the expropriation of the assets of the Exploits Partnership that differs from what is currently expected by management; an unexpected outcome of legal proceedings currently against the Corporation; relations with First Nations; labour relations; and human resources. For additional information with respect to the Corporation's risk factors and risk factors relating to the Common Shares, reference should be made to the section of this Prospectus entitled "Risk Factors".

All forward-looking information in this Prospectus and in the documents incorporated herein by reference is qualified in its entirety by the above cautionary statements and, 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.

DOCUMENTS INCORPORATED BY REFERENCE

The disclosure documents of the Corporation listed below and filed with the appropriate securities commissions or similar regulatory authorities in each of the provinces of Canada are specifically incorporated by reference into and form an integral part of this Prospectus:

(a) Annual Information Form dated March 7, 2011 for the year ended December 31, 2010 (the "AIF");

(b) audited comparative consolidated financial statements as at December 31, 2010 and December 31, 2009 and for the years ended December 31, 2010 and 2009, together with the notes thereto and the auditors' report thereon dated March 2, 2011, as contained in the Corporation's 2010 Annual Report;

(c) Management Discussion and Analysis of financial condition and results of operations for the year ended December 31, 2010 as contained in the Corporation's 2010 Annual Report;

(d) unaudited comparative interim consolidated financial statements as at March 31, 2011 and for the three months ended March 31, 2011 and 2010, together with the notes thereto;

(e) Management Discussion and Analysis of financial condition and results of operations for the three months ended March 31, 2011; and

(f) Management Information Circular dated March 21, 2011 prepared in connection with the Corporation's annual meeting of shareholders held on May 6, 2011.

Any document of the type referred to in the preceding paragraph and any material change report (other than any confidential material change report) or business acquisition report subsequently filed by the Corporation with such securities commissions or regulatory authorities after the date of the Prospectus, and prior to the termination of the Offering, shall be deemed to be incorporated by reference into the Prospectus.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein shall be deemed to be modified or superseded for purposes of this Prospectus to the extent that a statement contained herein, or in any other subsequently filed document which also is incorporated or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement will not be deemed an admission for any purpose that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute a part of this Prospectus.

Copies of the documents incorporated herein by reference may be obtained on request without charge from the Secretary of the Corporation at Suite 1201, 139 Water Street, St. John's, Newfoundland and Labrador A1B 3T2 (telephone (709) 737-2800). These documents are also available through the internet on the Corporation's website at www.fortisinc.com or on the Canadian System for Electronic Document Analysis and Retrieval ("SEDAR") at www.sedar.com. The information contained on, or accessible through, any of these websites is not incorporated by reference into the Prospectus and is not, and should not be considered to be, a part of the Prospectus, unless it is explicitly so incorporated.

ELIGIBILITY FOR INVESTMENT

In the opinion of Davies Ward Phillips & Vineberg LLP, counsel to the Corporation, and Stikeman Elliott LLP, counsel to the Underwriters, provided that the Offered Shares are listed on a designated stock exchange for purposes of the *Income Tax Act* (Canada) (the "Tax Act") (which currently includes the TSX), the Offered Shares, if issued on the date hereof, would be qualified investments under the Tax Act for a trust governed by a registered retirement savings plan, registered retirement income fund, deferred profit sharing plan ("DPSP") (other than a trust governed by a DPSP for which any employer is the Corporation or is an employer that does not deal at arm's length with the Corporation for purpose of the Tax Act), registered education savings plan, registered disability savings plan or a tax-free savings account ("TFSA"). The Offered Shares will not be "prohibited investments" for a TFSA where the holder of the TFSA is not a "specified shareholder" of the Corporation, and the Corporation deals at arm's length with such holder for purposes of the Tax Act and any person in which such holder has a "significant interest", as each such term is defined in the Tax Act. In the 2011 Canadian federal budget released on March 22, 2011, the Minister of Finance proposed amendments to the Tax Act to extend the "prohibited investment" rules to registered retirement savings plans and registered retirement income funds.

CURRENCY

All dollar amounts in the Prospectus are expressed in Canadian dollars unless otherwise indicated.

FORTIS

Fortis Inc. was incorporated as 81800 Canada Ltd. under the *Canada Business Corporations Act* on June 28, 1977. The Corporation was continued under the *Corporations Act* (Newfoundland and Labrador) on August 28, 1987 and on October 13, 1987 the Corporation amended its articles to change its name to "Fortis Inc." The address of the head office and principal place of business of the Corporation is The Fortis Building, Suite 1201, 139 Water Street, St. John's, Newfoundland and Labrador A1B 3T2.

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 approximately 2,100,000 gas and electricity customers. Its regulated holdings include electric distribution utilities in five Canadian provinces and three Caribbean countries and a natural gas utility in British Columbia, Canada. Regulated utility assets comprise approximately 92% of the Corporation's total assets, with the balance comprised of non-regulated generation assets, commercial office and retail space and hotels. Fortis is the direct owner of all of the common shares of FortisBC Holdings Inc. ("FortisBC Holdings") (formerly Terasen Inc.), a company that, through its subsidiaries, is the principal distributor of natural gas in British Columbia. Fortis is the indirect owner of all of the common shares of FortisAlberta Inc. ("FortisAlberta"), a regulated electric utility that distributes electricity generated by other market participants in a substantial portion of southern and central Alberta; FortisBC Inc. ("FortisBC"), a regulated electric utility that generates, transmits and distributes electricity in the southern interior of British Columbia; and Maritime Electric Company, Limited ("Maritime Electric"), the principal distributor of electricity on Prince Edward Island. Fortis also holds all of the common shares of Newfoundland Power Inc. ("Newfoundland Power"), the principal distributor of electricity in Newfoundland. As well, through its wholly owned subsidiary FortisOntario Inc. ("FortisOntario") and its subsidiaries, Canadian Niagara Power Inc. ("CNPI") and Cornwall Street Railway, Light and Power Company, Limited, Fortis provides an integrated electric utility service to customers primarily in Fort Erie, Cornwall, Gananoque and Port Colborne in Ontario. Through its wholly owned subsidiary Algoma Power Inc., FortisOntario also distributes electricity to customers in the district of Algoma in northern Ontario.

The Corporation's regulated electric utility assets in the Caribbean consist of its ownership, through wholly owned subsidiaries, of an approximate 70% interest in Belize Electricity Limited ("Belize Electricity"), the principal distributor of electricity in Belize, Central America, and an approximate 59% interest in Caribbean Utilities Company, Ltd. ("Caribbean Utilities"), the sole provider of electricity on Grand Cayman, Cayman Islands. Fortis also owns, through a wholly owned subsidiary, P.P.C. Limited and Atlantic Equipment & Power (Turks and Caicos) Ltd. (together, "Fortis Turks and Caicos"), the principal distributor of electricity on the Turks and Caicos Islands.

The Corporation's non-regulated electricity generation operations consist of its 100% interest in each of Belize Electric Company Limited ("BECOL"), FortisOntario and non-regulated generation assets owned either directly or indirectly by FortisBC, Fortis Properties Corporation ("Fortis Properties") and Fortis.

BECOL owns and operates the 25-megawatt ("MW") Mollejon, 7-MW Chalillo and 19-MW Vaca hydroelectric generating facilities, all of which are located on the Macal River in Belize. FortisOntario owns and operates a 5-MW gas-fired cogeneration plant in Cornwall, Ontario. The non-regulated electricity generation operations of FortisBC consist of the 16-MW run-of-river Walden hydroelectric power plant near Lillooet, British Columbia. Fortis owns a 51% controlling ownership interest in the non-regulated Waneta Expansion Limited Partnership (the "Waneta Partnership"), which was established in 2010 to construct a 335 MW hydroelectric generating facility adjacent to the existing Waneta plant in British Columbia (the "Waneta Expansion").

Through FortisUS Energy Corporation ("FortisUS Energy"), an indirect wholly owned subsidiary of Fortis, the Corporation owns and operates four hydroelectric generating stations in upper New York State with a total combined capacity of approximately 23 MW. The operations of FortisUS Energy are managed by Fortis Properties.

Fortis Properties is also the direct owner of a 51% interest in the Exploits River Hydro Partnership (the "Exploits Partnership"). The Exploits Partnership was established with AbitibiBowater Inc., formerly Abitibi-Consolidated Company of Canada ("Abitibi"), which holds the remaining 49% interest. The Exploits Partnership was established to develop additional capacity at Abitibi's hydroelectric generating plant at Grand Falls-Windsor and redevelop Abitibi's hydroelectric generating plant at Bishop's Falls, in central Newfoundland. See "Non-Regulated — Fortis Generation — Central Newfoundland".

Fortis Properties' assets also include six small hydroelectric generating stations in eastern Ontario with a combined capacity of 8 MW.

Through Fortis Properties, the Corporation owns 21 hotels in eight Canadian provinces and commercial real estate primarily in Atlantic Canada.

Regulated Gas Utilities — Canadian

FortisBC Energy Companies

The natural gas distribution business of FortisBC Holdings is one of the largest in Canada. With approximately 950,400 customers as at March 31, 2011, FortisBC Holding's subsidiaries provide service to over 96% of gas users in British Columbia. FortisBC Energy Inc. ("FEI") (formerly Terasen Gas Inc.) is the largest of these subsidiaries, serving approximately 847,200 customers as at March 31, 2011 in a service area extending from Vancouver to the Fraser Valley and the interior of British Columbia. FortisBC Energy (Vancouver Island) Inc. ("FEVI") (formerly Terasen Gas (Vancouver Island) Inc.) owns and operates the natural gas transmission pipeline from the Greater Vancouver area across the Georgia Strait to Vancouver Island and the distribution system on Vancouver Island and along the Sunshine Coast, serving approximately 100,600 customers as at March 31, 2011. In addition to providing transmission and distribution services to customers, FEI and FEVI also obtain natural gas supplies on behalf of most residential and commercial customers. Gas supplies are sourced primarily from northeastern British Columbia and Alberta. FortisBC Energy (Whistler) Inc. (formerly Terasen Gas (Whistler) Inc.) owns and operates the natural gas distribution system in Whistler, British Columbia, providing service to approximately 2,600 residential and commercial customers. The FortisBC Energy companies own and operate almost 46,500 kilometres of natural gas distribution and transmission pipelines and met a peak day demand of 1,421 terajoules for 2010.

Regulated Electric Utilities — Canadian

FortisAlberta

FortisAlberta distributed electricity to approximately 493,000 customers in Alberta as at March 31, 2011, using approximately 112,500 kilometres of distribution lines and met a peak demand of 2,555 MW for 2010. FortisAlberta's business is the ownership and operation of regulated electricity distribution facilities that distribute electricity generated by other market participants from high-voltage transmission substations to end-use customers in central and southern Alberta. FortisAlberta is not involved in the generation, transmission or direct sale of electricity.

FortisBC

FortisBC is an integrated, regulated electric utility that owns a network of generation, transmission and distribution assets located in the southern interior of British Columbia. FortisBC served a diverse mix of approximately 161,000 customers, as at March 31, 2011, with residential customers representing the largest customer segment, and met a peak demand of 707 MW for 2010. FortisBC owns four regulated hydroelectric generating plants with an aggregate capacity of 223 MW that provide approximately 45% of FortisBC's energy and 30% of its peak capacity needs. FortisBC's remaining electricity supply is acquired through long-term power purchase contracts and short-term market purchases. FortisBC's business also includes non-regulated operating, maintenance and management services relating to the 493-MW Waneta hydroelectric generation facility owned by Teck Metals Ltd. and British Columbia Hydro and Power Authority ("BC Hydro"), the 149-MW Brilliant hydroelectric plant, the 120-MW Brilliant expansion plant and the 185-MW Arrow Lakes hydroelectric plant, each owned by Columbia Power Corporation and Columbia Basin Trust ("CPC/CBT"), and the distribution system owned by the City of Kelowna.

Newfoundland Power

Newfoundland Power is a regulated electric utility that operates an integrated generation, transmission and distribution system throughout the island portion of the Province of Newfoundland and Labrador. Newfoundland Power served over 244,000 customers as at March 31, 2011, or approximately 86% of electricity consumers in the Province, and met a peak demand of 1,206 MW for 2010. Approximately 93% of the electricity that Newfoundland Power sells to its customers is purchased from Newfoundland and Labrador Hydro Corporation ("Newfoundland Hydro"). Currently, Newfoundland Power has an installed generating capacity of 140 MW, of which 97 MW is hydroelectric generation.

Maritime Electric

Maritime Electric is a regulated electric utility that operates an integrated generation, transmission and distribution system on Prince Edward Island. Maritime Electric directly supplied over 74,000 customers as at March 31, 2011, or 90% of electricity consumers on the Island, and met a peak demand of 207 MW for 2010. Maritime Electric purchases most of the energy it distributes to its customers from New Brunswick Power Corporation and maintains on-Island generating facilities with an aggregate capacity of 150 MW.

FortisOntario

FortisOntario's regulated distribution operations served more than 64,000 customers in the Fort Erie, Cornwall, Gananoque, Port Colborne and the District of Algoma in Ontario, as at March 31, 2011, and met a combined peak demand of 273 MW for 2010. Through CNPI, FortisOntario owns international transmission facilities at Fort Erie and owns a 10% interest in each of Westario Power Inc., Rideau St. Lawrence Holdings Inc. and Grimsby Power Inc., three regional electric distribution companies that, together, serve approximately 38,000 customers.

Regulated Electric Utilities — Caribbean

Belize Electricity

Fortis holds an indirect approximate 70% controlling ownership interest in Belize Electricity, the regulated principal distributor of electricity in Belize, Central America. Belize Electricity directly supplied approximately 77,000 customers in Belize, as at March 31, 2011, and met a peak demand of 81 MW for 2010. See "Recent Developments — Belize Electricity".

Caribbean Utilities

Fortis holds an indirect approximate 59% controlling ownership interest in Caribbean Utilities. Caribbean Utilities has the exclusive right to distribute and transmit electricity on the island of Grand Cayman, Cayman Islands, pursuant to a 20-year licence entered into on April 3, 2008. Caribbean Utilities also entered into a non-exclusive 21.5-year power generation licence with the Government of the Cayman Islands on April 3, 2008.

Caribbean Utilities served approximately 26,000 customers as at March 31, 2011, has approximately 151 MW of installed generating capacity and met a record peak demand of 102 MW for 2010. The Class A Ordinary Shares of Caribbean Utilities are listed for trading on the TSX under the symbol CUP.U.

Fortis Turks and Caicos

Fortis Turks and Caicos served approximately 9,000 customers, or approximately 80% of electricity consumers, on the Turks and Caicos Islands, as at March 31, 2011. Fortis Turks and Caicos is the principal distributor of electricity on Turks and Caicos pursuant to two 50-year licences that expire in 2036 and 2037, respectively. Fortis Turks and Caicos has an installed generating capacity of approximately 57 MW and met a record peak demand of approximately 31 MW for 2010.

Non-Regulated — Fortis Generation

Belize

Non-regulated generation operations in Belize are conducted through BECOL under a franchise agreement with the Government of Belize. BECOL owns and operates the 25-MW Mollejon hydroelectric generating facility, the 7-MW Chalillo hydroelectric generating facility and the 19-MW Vaca hydroelectric generating facility. All such facilities are located on the Macal River in Belize. These hydro plants generate average annual energy production of approximately 240 gigawatt hours ("GWh"). BECOL sells its entire output to Belize Electricity under 50-year power purchase agreements expiring in 2055 and 2060.

Ontario

Non-regulated generation assets in Ontario are owned and operated by FortisOntario and Fortis Properties and include the 5-MW gas-fired cogeneration plant in Cornwall and five small hydroelectric generating stations with a combined capacity of approximately 8 MW.

Central Newfoundland

The non-regulated generation investment in central Newfoundland is held through the Corporation's indirect 51% interest in the Exploits Partnership. The assets generate approximately 610 GWh annually, of which 470 GWh was utilized by Abitibi, while the remainder is sold to Newfoundland Hydro under a 30-year take-or-pay power purchase agreement which is exempt from regulation, expiring in 2033.

In December 2008 the Government of Newfoundland and Labrador expropriated Abitibi's hydroelectric assets and water rights in Newfoundland, including those of the Exploits Partnership. The loss of control over cash flows and operations has required Fortis to cease consolidation of the Exploits Partnership, effective February 12, 2009. Discussions are ongoing with various parties with respect to matters relating to the expropriation.

British Columbia

Non-regulated generation operations in British Columbia, conducted through FortisBC, include the 16-MW run-of-river Walden hydroelectric power plant near Lillooet. This plant sells its entire output to BC Hydro under a power purchase agreement expiring in 2013.

In October 2010, the Corporation formed the Waneta Partnership with CPC/CBT and concluded definitive agreements to construct the 335-MW Waneta Expansion at an estimated cost of approximately $900 million. The facility is situated adjacent to the Waneta Dam and powerhouse facilities on the Pend d'Oreille River, south of Trail, British Columbia. CPC/CBT are both 100% owned entities of the Government of British Columbia. Fortis owns a controlling 51% interest in the Waneta Partnership and, through FortisBC, will operate and maintain the Waneta Expansion when it comes into service, which is expected in spring 2015. SNC-Lavalin Group Inc. was awarded a contract for approximately $590 million to design and build the Waneta Expansion. Construction began in November 2010 and capital expenditures of approximately $75 million were incurred on this capital project in 2010. The Waneta Expansion will be included in the Canal Plant Agreement (as described in the Corporation's AIF) and will receive fixed energy and capacity entitlements based upon long-term average water flows, thereby significantly reducing hydrologic risk associated with the project. The energy output, approximately 630 GWh (and associated capacity required to deliver such energy), from the Waneta Expansion will be sold to BC Hydro under a recently executed long-term energy purchase agreement. The surplus capacity, equal to 234 MW on an average annual basis, will be sold to FortisBC under a long-term capacity purchase agreement, which was accepted by the British Columbia Utilities Commission in September 2010.

Upper New York State

Non-regulated generation assets in Upper New York State are owned and operated by FortisUS Energy and include four hydroelectric generating stations with a combined generating capacity of approximately 23 MW operating under licences from the U.S. Federal Energy Regulatory Commission. Since January 1, 2007, all four plants have been selling energy at market rates.

Non-Regulated — Fortis Properties

In addition to its non-regulated generation operations, Fortis Properties owns and operates 21 hotels, with more than 4,100 rooms, in eight Canadian provinces and approximately 2.7 million square feet of commercial real estate primarily in Atlantic Canada.

CAPITAL RESOURCES

The Corporation and its subsidiary regulated gas and electric distribution businesses require ongoing access to capital to fund maintenance and expansion of infrastructure, acquisitions and/or repay maturing debt. To meet short-term capital requirements, the Corporation and its larger regulated utility subsidiaries have secured multi-year committed credit facilities. As at March 31, 2011, the Corporation and its subsidiaries had consolidated authorized lines of credit of $2.1 billion, of which $1.5 billion was available to be drawn.

The Corporation and its subsidiaries will require new capital for the repayment of at least a portion of their maturing debt. As at March 31, 2011, long-term debt maturities over the next five years are expected to average approximately $250 million annually.

RECENT DEVELOPMENTS

Agreement to Acquire Central Vermont Public Service Corporation

On May 27, 2011, Fortis entered into an agreement (the "Merger Agreement") to acquire all of the outstanding common shares of Central Vermont Public Service Corporation ("CVPS"), the largest integrated electric utility in Vermont, for US$35.10 per share in cash, for an aggregate purchase price of approximately US$700 million, including the assumption of approximately US$230 million of debt on closing (the "Acquisition"). The common shares of CVPS are listed on the New York Stock Exchange. The closing of the Acquisition is subject to receipt of the approval of the shareholders of CVPS and regulatory and other approvals, including those of the Vermont Public Service Board ("PSB") and the U.S. Federal Energy Regulatory Commission ("FERC"), and the satisfaction of customary closing conditions. Fortis expects the closing of the Acquisition to occur within six to 12 months.

CVPS is engaged principally in the purchase, production, transmission, distribution and sale of electricity. CVPS serves nearly 160,000 customers in about two-thirds of the cities and towns throughout the State of Vermont. Its electric system consists of approximately 9,000 miles of distribution lines and more than 600 miles of sub-transmission lines. CVPS holds directly and indirectly an approximate 41% ownership interest in Vermont Transco LLC, which owns and operates the high-voltage transmission system in Vermont. In 2010, total assets and rate base assets of CVPS were approximately US$711 million and US$426 million, respectively. For CVPS, the allowed rate of return on common equity for 2011 has been set at 9.45%. The equity level in its capital structure is currently 57%.

CVPS customer rates are among the lowest of major utilities in New England. Approximately 50% and 40% of the energy supply in 2010 for CVPS was derived from nuclear and hydroelectric sources, respectively, making it one of the cleanest energy supplies in the United States. Most of the energy sold by CVPS is acquired from Hydro-Québec and the Vermont Yankee nuclear power plant through power purchase agreements. CVPS participates in the New England regional wholesale electric power markets operated by ISO New England Inc., the regional bulk power transmission organization established to assure reliable and economical power supply in New England.

The Acquisition represents the initial entry by Fortis into the U.S. regulated electric utility marketplace and establishes a foundation for Fortis to grow its utility business in the United States. Fortis believes that CVPS is a well-run utility whose operations are very similar to those of the Corporation's Canadian regulated utilities, allowing Fortis and CVPS to use their collective competencies to further enhance service to customers and returns to the Corporation's shareholders. CVPS will remain autonomous in the Fortis model. The headquarters of CVPS will remain in Rutland, Vermont.

Based on financial information as at March 31, 2011, following the Acquisition, the total assets of Fortis will increase by approximately 7% to approximately $13.9 billion as at March 31, 2011. The Corporation's regulated electric and gas utility operations will account for approximately 55% and 37%, respectively, of the total assets of Fortis. Following the Acquisition, total regulated utility assets will be approximately 92% of the total assets of Fortis. Regulated utility assets in Canada and the United States will account for approximately 85% of the total assets of Fortis.

The business operated by CVPS is attractive to Fortis for the following reasons:

(a) the Acquisition is expected to be accretive to earnings per common share of Fortis in the first full year of ownership;

(b) CVPS operates a well-maintained and efficient electric system in an attractive service franchise area, serving a diversified, mature and primarily residential, customer base;

(c) the Acquisition affords Fortis management an opportunity to deploy its core competencies in regulatory, operating and financial management expertise to a U.S. regulated utility;

(d) similar to the Canadian regulated utilities of Fortis, CVPS operates principally under cost-of-service regulation. The regulatory framework at CVPS enables CVPS to earn stable returns with minimal regulatory lag, while allowing timely recovery of fuel, purchased power and transmission costs, along with capital program costs;

(e) the Acquisition will increase the regulated rate base assets and utility earnings of Fortis and mitigate the business risks associated with regulated utility operations through increased diversification of assets and earnings by geographic location and regulatory environment; and

(f) CVPS expects rate base investment to reach approximately US$650 million by 2015, representing a compound average annual growth rate of approximately 9% from 2010 to 2015.

The management of Fortis has substantial experience integrating newly acquired enterprises into the Fortis group of companies. In 2004, Fortis completed the $1.5 billion acquisition of FortisBC and FortisAlberta, (formerly, Aquila Networks Canada (British Columbia) Ltd. and Aquila Networks Canada (Alberta) Ltd., respectively), two electric utilities that today serve approximately 654,000 electricity customers in Alberta and British Columbia, Canada. In 2007, Fortis completed the $3.7 billion acquisition of FortisBC Energy (formerly known as Terasen), one of the largest natural gas distribution utilities in Canada, serving approximately 950,000 natural gas customers in British Columbia, Canada.

Upon close of the transaction, Fortis expects to purchase CVPS for cash with proceeds from borrowings under its $600 million committed term credit facility.

See "Risk Factors — Failure to Complete Acquisition"; "— Potential Undisclosed Liabilities Associated with the Acquisition"; and "— Realization of Acquisition Benefits".

Belize Electricity

Belize Electricity represents approximately 2% of the total assets of Fortis. In June 2008, the Public Utilities Commission of Belize ("PUC") issued a rate order that has had a significant negative impact on the financial condition and operations of Belize Electricity. The order effectively disallowed the recovery of previously incurred fuel and purchased power costs in customer rates and set customer rates at a level that does not allow Belize Electricity to earn a fair and reasonable return. Belize Electricity appealed the PUC rate order to the Supreme Court of Belize. On March 15, 2011, the court rendered its judgment dismissing Belize Electricity's application and finding that, among other things, the generally accepted concept of Good Utility Practice is not applicable in Belize. Belize Electricity has appealed this judgment to the Court of Appeal of Belize; however, a hearing is not expected until the first quarter of 2012. On May 16, 2011, the Supreme Court of Belize granted Belize Electricity's application to enjoin the PUC from engaging in any rate making proceedings or taking any enforcement or penal actions against Belize Electricity pending the appeal of its judgment.

Belize Electricity has been in default of covenants under its long-term lending agreements since 2008 and has had no access to credit during this period. Belize Electricity is facing serious cash constraints and is currently unable to pay for energy purchases. It has received some assistance from the Government of Belize. Discussions are continuing with the Government of Belize to address the current financial difficulties facing Belize Electricity pending a commercially acceptable resolution to the regulatory issues currently before the courts.

CAPITALIZATION

The following table sets out the consolidated capitalization of the Corporation as at March 31, 2011, after giving effect to the Offering (assuming no exercise of the Over-Allotment Option (as defined herein) and after deducting the Underwriters' Fee (as defined herein) and the expenses of the Offering), and the change in long-term debt and capital lease obligations from April 1, 2011 to June 6, 2011. See "Changes in Share and Loan Capital Structure". The financial information set out below should be read in conjunction with the Corporation's audited consolidated financial statements and unaudited interim consolidated financial statements and the notes thereto incorporated by reference into the Prospectus.

	Outstanding as at March 31, 2011	Pro forma Outstanding as at March 31, 2011(1)
	(unaudited)	(unaudited)
	(in millions of dollars)	
Total debt (net of cash)	5,829	5,703
Preference shares(2)	320	320
Shareholders' equity		
Securities offered hereby	Nil	291
Common shares	2,607	2,607
Preference shares(3)	592	592
Contributed surplus	12	12
Equity portion of convertible debentures	5	5
Accumulated other comprehensive loss	(97)	(97)
Retained earnings	870	870
Total capitalization(4)	10,138	10,303

(1) After giving effect to the net proceeds from the Offering (assuming no exercise of the Over-Allotment Option), determined after deducting the Underwriters' Fee and the expenses of the Offering on an after-tax basis, and the change in long-term debt and capital lease obligations from April 1, 2011 to June 6, 2011. See "Changes in Share and Loan Capital Structure".

(2) First Preference Shares, Series C and First Preference Shares, Series E (as defined below), which are classified as long-term liabilities in the financial statements of Fortis.

(3) First Preference Shares, Series F; First Preference Shares, Series G; and First Preference Shares, Series H (as defined below).

(4) Excludes non-controlling interests.

SHARE CAPITAL OF FORTIS

The authorized share capital of the Corporation consists of an unlimited number of common shares (the "Common Shares"), an unlimited number of First Preference Shares issuable in series and an unlimited number of Second Preference Shares issuable in series, in each case without nominal or par value. As at June 6, 2011, 175,942,051 Common Shares; 5,000,000 Cumulative Redeemable First Preference Shares, Series C (the "First Preference Shares, Series C"); 7,993,500 Cumulative Redeemable First Preference Shares, Series E (the "First Preference Shares, Series E"); 5,000,000 Cumulative Redeemable First Preference Shares, Series F (the "First Preference Shares, Series F"); 9,200,000 Cumulative Redeemable Five-Year Fixed Rate Reset First Preference Shares, Series G (the "First Preference Shares, Series G"); and 10,000,000 Cumulative Redeemable Five-Year Fixed Rate Reset First Preference Shares, Series H (the "First Preference Shares, Series H") were issued and outstanding. The Corporation's Common Shares; First Preference Shares, Series C; First Preference Shares, Series E; First Preference Shares, Series F; First Preference Shares, Series G; and First Preference Shares, Series H, are listed on the TSX under the symbols "FTS", "FTS.PR.C", "FTS.PR.E", "FTS.PR.F", "FTS.PR.G" and "FTS.PR.H", respectively.

DIVIDEND POLICY

Dividends on the Common Shares are declared at the discretion of the board of directors of Fortis (the "Board of Directors"). The Corporation paid cash dividends on its Common Shares of $1.12 in 2010, $1.04 in 2009 and $1.00 in 2008. On March 2, 2011, the Board of Directors declared a second quarter dividend of $0.29 per Common Share, payable on June 1, 2011 to holders of record on May 13, 2011. On May 5, 2011, the Board of Directors declared a third quarter dividend of $0.29 per Common Share, payable on September 1, 2011 to holders of record on August 12, 2011.

Regular quarterly dividends at the prescribed annual rate have been paid on all of the First Preference Shares, Series C; First Preference Shares, Series E; First Preference Shares, Series F; First Preference Shares, Series G; and First Preference Shares, Series H, respectively. The Board of Directors declared a second quarter dividend on the First Preference Shares, Series C; First Preference Shares, Series E; First Preference Shares, Series F; First Preference Shares, Series G; and First Preference Shares, Series H, on March 2, 2011, in each case in accordance with the applicable prescribed annual rate, payable on June 1, 2011 to holders of record on May 13, 2011. On May 5, 2011, the Board of Directors declared a third quarter dividend on the First Preference Shares, Series C; First Preference Shares, Series E; First Preference Shares, Series F; First Preference Shares, Series G; and First Preference Shares, Series H, in each case in accordance with the applicable prescribed annual rate, payable on September 1, 2011 to holders of record on August 12, 2011.

DESCRIPTION OF COMMON SHARES

Dividends

Holders of Common Shares are entitled to dividends on a *pro rata* basis if, as and when declared by the Board of Directors. Subject to the rights of the holders of the First Preference Shares and Second Preference Shares and any other class of shares of the Corporation entitled to receive dividends in priority to or rateably with the holders of the Common Shares, the Board of Directors may declare dividends on the Common Shares to the exclusion of any other class of shares of the Corporation.

Liquidation, Dissolution or Winding-Up

On the liquidation, dissolution or winding-up of Fortis, holders of Common Shares are entitled to participate rateably in any distribution of the assets of Fortis, subject to the rights of holders of First Preference Shares and Second Preference Shares and any other class of shares of the Corporation entitled to receive the assets of the Corporation on such a distribution in priority to or rateably with the holders of the Common Shares.

Voting Rights

Holders of the Common Shares are entitled to receive notice of and to attend all annual and special meetings of the shareholders of Fortis, other than separate meetings of holders of any other class or series of shares, and to one vote in respect of each Common Share held at such meetings.

CHANGES IN SHARE AND LOAN CAPITAL STRUCTURE

The following describes the changes in the share and loan capital structure of Fortis since March 31, 2011:

- During the period from April 1, 2011 up to and including June 6, 2011, Fortis issued an aggregate of 520,394 Common Shares pursuant to the Corporation's Dividend Reinvestment Plan and Consumer Share Purchase Plan and upon the exercise of options granted pursuant to the Executive, 2002 and 2006 Stock Option Plans, for aggregate consideration of approximately $16.1 million.
- As a result of the proposed issuance of 9,100,000 Offered Shares (assuming no exercise of the Over-Allotment Option), shareholders' equity (excluding non-controlling interests) in the Corporation will increase by approximately $291 million to a total of $4.3 billion.
- During the period from April 1, 2011 up to and including June 6, 2011, consolidated long-term debt and capital lease obligations (including current portion and borrowings under committed credit facilities classified as long-term) increased by $161 million. The increase in debt was incurred mainly in support of infrastructure investment at the regulated utilities.

PRIOR SALES

The following table summarizes the issuances by the Corporation of Common Shares and securities convertible into Common Shares within the 12 months prior to the date of this Prospectus:

Date	Security	Weighted Average Issue Price or Exercise Price per Security, as applicable	Number of Securities
June 2010	Common – Exercise of Stock Options(4)	$19.66	10,945
July 2010	Common – Exercise of Stock Options(4)	$13.46	32,360
August 2010	Common – Exercise of Stock Options(4)	$17.10	93,241
September 1, 2010	Common – DRIP(1)	$28.61	534,356
September 1, 2010	Common – CSPP(3)	$29.17	11,006
September 2010	Common – Exercise of Stock Options(4)	$14.03	43,716
October 2010	Common – Exercise of Stock Options(4)	$18.45	110,815
November 2010	Common – Exercise of Stock Options(4)	$24.91	69,945
December 1, 2010	Common – DRIP(1)	$31.39	494,891
December 1, 2010	Common – CSPP(3)	$32.01	12,446
December 2010	Common – Exercise of Stock Options(4)	$18.42	125,271
January 2011	Common – Exercise of Stock Options(4)	$18.31	388,267
February 2011	Common – Exercise of Stock Options(4)	$28.27	11,674
March 1, 2011	Common – DRIP(1)	$32.40	514,542
March 1, 2011	Common – CSPP(3)	$33.04	13,539
March 2, 2011	Issue of Stock Options	$32.95	828,512
March 2011	Common – Exercise of Stock Options(4)	$22.09	100,734
April 2011	Common – Exercise of Stock Options(4)	$12.98	34,216
May 2011	Common – Exercise of Stock Options(4)	$20.68	20,524
June 1, 2011	Common – DRIP(1)	$32.64	454,874
June 1, 2011	Common – CSPP(3)	$33.29	10,780

(1) Issued pursuant to the Corporation's Dividend Reinvestment Plan ("DRIP").

(2) Issued pursuant to the Corporation's Employee Share Purchase Plan ("ESPP").

(3) Issued pursuant to the Corporation's Consumer Share Purchase Plan ("CSPP").

(4) Issued on the exercise of options granted pursuant to the Executive, 2002 and 2006 Stock Option Plans of the Corporation.

TRADING PRICES AND VOLUMES

The following tables set forth, for the periods indicated, the reported high and low daily trading prices and the aggregate volume of trading of the Corporation's Common Shares: First Preference Shares, Series C; First Preference Shares, Series E; First Preference Shares, Series F; First Preference Shares, Series G; and First Preference Shares, Series H, on the TSX.

	Trading of Common Shares			Trading of First Preference Shares, Series C		
	TSX			TSX		
	High	Low	Volume	High	Low	Volume
	($)	($)	(#)	($)	($)	(#)
2010 June	28.35	26.51	10,261,047	26.36	25.75	19,692
July	29.37	26.83	7,559,548	27.00	26.20	19,206
August	29.51	28.25	12,267,132	26.60	26.26	6,191
September	32.39	29.45	10,444,191	26.67	26.20	82,791
October	33.34	31.22	7,443,166	27.10	26.20	82,316
November	33.63	30.50	14,538,415	27.90	26.00	55,307
December	34.54	32.27	9,124,490	26.27	25.50	72,697
2011						
January	34.74	33.30	7,432,455	26.89	26.05	161,956
February	35.45	32.30	9,925,791	26.10	25.60	329,057
March	33.59	31.53	10,482,063	25.85	25.63	81,458
April	33.28	31.05	5,367,214	26.33	26.00	71,764
May	33.85	31.98	15,795,186	26.19	25.54	463,532
June 1 to June 7	33.05	32.07	2,065,011	26.04	25.75	231,192

	Trading of First Preference Shares, Series E			Trading of First Preference Shares, Series F		
	TSX			TSX		
	High	Low	Volume	High	Low	Volume
	($)	($)	(#)	($)	($)	(#)
2010 June	26.70	26.01	35,587	21.20	20.01	43,550
July	26.85	26.25	233,990	21.90	20.95	47,155
August	27.83	26.15	66,419	21.92	21.54	54,955
September	27.99	26.88	48,182	22.84	21.91	305,678
October	27.40	26.82	176,316	23.49	22.60	49,843
November	27.69	26.90	46,446	23.91	23.01	55,907
December	27.31	26.75	387,978	23.20	22.55	105,720
2011						
January	27.59	26.75	163,482	23.50	22.76	66,772
February	26.87	26.31	236,757	23.75	22.61	59,272
March	27.00	26.21	36,423	23.88	22.90	87,710
April	27.07	26.45	29,389	23.81	23.00	44,696
May	27.34	26.74	272,521	24.00	23.05	87,756
June 1 to June 7	27.24	26.87	43,308	24.25	24.00	16,175

	Trading of First Preference Shares, Series G			Trading of First Preference Shares, Series H		
	TSX			TSX		
	High	Low	Volume	High	Low	Volume
	($)	($)	(#)	($)	($)	(#)
2010 June	26.24	25.61	67,343	25.10	24.40	157,834
July	26.49	25.75	398,816	25.25	24.80	83,340
August	26.74	25.70	100,414	25.51	24.71	140,492
September	26.72	25.91	92,166	26.00	25.15	141,417
October	26.70	26.00	105,727	26.00	25.45	152,170
November	27.25	25.99	78,194	26.22	25.39	433,361
December	26.74	25.30	103,646	25.61	25.25	510,574
2011						
January	26.62	25.95	51,868	25.90	25.25	192,555
February	26.49	25.53	57,289	25.91	25.25	96,073
March	26.57	25.56	110,302	25.73	24.97	163,231
April	26.58	26.25	94,098	25.52	25.05	101,246
May	26.50	25.88	97,923	26.50	25.14	96,623
June 1 to June 7	26.99	25.88	16,880	25.80	25.65	13,080

USE OF PROCEEDS

The net proceeds of the Offering will be approximately $287.7 million, determined after deducting the Underwriters' Fee (as defined below) and the expenses of the Offering, which are estimated to be $600,000. If the Over-Allotment Option is exercised in full, the net proceeds of the Offering, determined after deducting the Underwriters' Fee and estimated expenses of the Offering, are expected to be approximately $330.9 million. The net proceeds from the Offering will be used to repay indebtedness incurred under the Corporation's existing committed credit facility, finance additional equity injections into the western Canadian regulated utilities and the Waneta Partnership in support of investment in infrastructure, and for general corporate purposes. Indebtedness under the Corporation's credit facility that will be repaid was originally incurred to finance equity injections in certain of the Corporation's subsidiaries and for general corporate purposes.

PLAN OF DISTRIBUTION

Pursuant to an underwriting agreement dated June 1, 2011 (the "Underwriting Agreement") between Fortis and Scotia Capital Inc. ("Scotia Capital"), RBC Dominion Securities Inc. ("RBCDS"), BMO Nesbitt Burns Inc. ("BMO Capital Markets"), CIBC World Markets Inc. ("CIBCWM"), National Bank Financial Inc. ("NB Financial"), TD Securities Inc. ("TDSI"), HSBC Securities (Canada) Inc. ("HSBC Securities") and Beacon Securities Ltd. (collectively, the "Underwriters"), Fortis has agreed to issue and sell, and the Underwriters have agreed to purchase, as principals, on or about June 15, 2011 (the "Closing Date"), the Offered Shares offered hereby at the price of $33.00 per Common Share (the "Offering Price"), payable in cash to Fortis against delivery, subject to compliance with all of the necessary legal requirements and to the conditions contained in the Underwriting Agreement. The obligations of the Underwriters under the Underwriting Agreement are several (and not joint and several) and may be terminated at their discretion in certain circumstances including upon the occurrence of certain stated events. The Underwriters are, however, obligated to take up and pay for all of the Offered Shares if any of the Offered Shares are purchased under the Underwriting Agreement. Under the terms of the Underwriting Agreement, the Underwriters may be entitled to indemnification by the Corporation against certain liabilities, including liabilities for misrepresentation in the Prospectus. The Offering Price and other terms of the Offering were determined by negotiation between the Corporation and the Underwriters.

The Corporation has agreed to pay fees to the Underwriters in the amount of $1.32 per Offered Share, in consideration of services rendered by the Underwriters in connection with the Offering (the "Underwriters' Fee"). Assuming that the Over-Allotment Option (as defined below) is not exercised, the total price to the public will be $300,300,000, the Underwriters' Fee will be $12,012,000 and the net proceeds to Fortis will be approximately $287.7 million, after deducting the expenses of the Offering estimated at $600,000 which, together with the Underwriters' Fee, will be paid out of the general funds of the Corporation.

The Corporation has granted the Underwriters the option (the "Over-Allotment Option"), exercisable in whole or in part at any time until 30 days following the Closing Date, to purchase up to an additional 1,365,000 Offered Shares (the "Additional Shares") at the Offering Price. The Over-Allotment Option is exercisable in whole or in part only for the purpose of covering over-allotments, if any, and for market stabilization purposes. This Prospectus qualifies the grant of the Over-Allotment Option and the distribution of the Additional Shares issuable upon exercise of the Over-Allotment Option.

A purchaser who acquires Offered Shares forming part of the Underwriters' over-allocation position acquires those securities under this Prospectus, regardless of whether the Underwriters' over-allocation position is ultimately filled through the exercise of the Over-Allotment Option or secondary market purchases.

Subscriptions for the Offered Shares will be received subject to rejection or allotment in whole or in part and the right is reserved to close the subscription books at any time without notice. It is expected that the closing of the Offering (the "Closing") will take place on the Closing Date, or such other date as may be agreed upon by the Corporation and the Underwriters, but not later than July 20, 2011. Certificates evidencing the Offered Shares will be available for delivery at the Closing or shortly thereafter.

Pursuant to rules and policy statements of certain Canadian securities regulators, the Underwriters may not, at any time during the period ending on the date the selling process for the Offered Shares ends and all stabilization arrangements relating to the Offered Shares are terminated, bid for or purchase Offered Shares. The foregoing restrictions are subject to certain exceptions including: (i) a bid for or purchase of Offered Shares if the bid or purchase is made through the facilities of the TSX, in accordance with the Universal Market Integrity Rules of the Investment Industry Regulatory Organization of Canada; (ii) a bid or purchase on behalf of a client, other than certain prescribed clients, provided that the client's order was not solicited by the Underwriter, or if the client's order was solicited, the solicitation occurred before the commencement of a prescribed restricted period; and (iii) a bid or purchase to cover a short position entered into prior to the commencement of a prescribed restricted period. The Underwriters may engage in market stabilization or market balancing activities on the TSX where the bid for or purchase of the Offered Shares is for the purpose of maintaining a fair and orderly market in the Offered Shares, subject to price limitations applicable to such bids or purchases. Such transactions, if commenced, may be discontinued at any time.

The Offered Shares have not been, and will not be, registered under the United States *Securities Act of 1933*, as amended (the "1933 Act") or any state securities laws and, subject to certain exceptions, may not be offered, or delivered, directly or indirectly, or sold in the United States except in certain transactions exempt from the registration requirements of the 1933 Act and in compliance with any applicable state securities laws. The Underwriters have agreed that they will not offer or sell the Offered Shares within the United States, its territories, its possessions and other areas subject to its jurisdiction except in accordance with the Underwriting Agreement pursuant to an exemption from the registration requirements of the 1933 Act provided by Rule 144A thereunder and in compliance with applicable state securities laws. In addition, until 40 days after the commencement of the Offering, an offer or sale of Offered Shares within the United States by any dealer (whether or not participating in the Offering) may violate the registration requirements of the 1933 Act if such offer is made otherwise than in reliance on Rule 144A.

The Underwriters propose to offer the Offered Shares initially at the Offering Price set forth on the cover page of this Prospectus. After the Underwriters have made reasonable efforts to sell all the Offered Shares at such price, the Offering Price may be decreased, and further changed from time to time to an amount not greater than the Offering Price specified herein. The compensation realized by the Underwriters will be decreased by the amount that the aggregate price paid by the purchasers for the Offered Shares is less than the gross proceeds paid by the Underwriters to the Corporation.

Each of Scotia Capital, RBCDS, BMO Capital Markets, CIBCWM, NB Financial, TDSI and HSBC Securities is a subsidiary of a Canadian chartered bank that has, either solely or as a member of a syndicate of financial institutions, extended credit facilities to, or holds other indebtedness of, the Corporation and/or its subsidiaries (the "Existing Indebtedness"). A portion of the net proceeds from the Offering will be used towards repaying indebtedness under a credit facility owing by the Corporation to certain of such banks or their affiliates. Consequently, the Corporation may be considered a "connected issuer" of these Underwriters within the meaning of applicable securities legislation. None of these Underwriters will receive any direct benefit from the Offering other than the Underwriters' Fee relating to the Offering. The decision to distribute the Offered Shares hereunder and the determination of the terms of the Offering were made through negotiation between the Corporation and the Underwriters. No bank had any involvement in such decision or determination. As at June 6, 2011, an aggregate of approximately $630 million was outstanding under the Existing Indebtedness. Fortis and/or its subsidiaries are in compliance with their respective obligations under the Existing Indebtedness, other than with respect to certain of Belize Electricity's and the Exploits Partnership's debt as previously disclosed in the Corporation's public disclosure. Since the execution of the agreements governing the Existing Indebtedness, no breach thereunder has been waived by the lenders thereunder. See "Use of Proceeds".

The TSX has conditionally approved the listing on the TSX of the Offered Shares distributed under this Prospectus. Listing will be subject to the Corporation fulfilling all of the listing requirements of the TSX on or before August 28, 2011.

RISK FACTORS

An investment in the Offered Shares involves certain risks. A prospective purchaser of Offered Shares should carefully consider the risk factors described under:

(a) the heading "Risk Factors" found on page 33 of the Corporation's Annual Information Form dated March 7, 2011 for the year ended December 31, 2010;

(b) the heading "Business Risk Management" in the Management Discussion and Analysis of financial condition and results of operations found on pages 44 through 54 of the Corporation's 2010 Annual Report (the "MD&A");

(c) the heading "Business Risk Management" on page 25 of the Management Discussion and Analysis of financial condition and results of operations for the three months ended March 31, 2011; and

(d) Note 18 "Financial Risk Management" found on pages 18 through 21 in the Corporation's unaudited comparative interim consolidated financial statements as at March 31, 2011 and for the three months ended March 31, 2011 and 2010,

each of which is incorporated by reference herein.

In addition, a prospective purchaser of Offered Shares should carefully consider the risk factors described below and in the other information contained in this Prospectus (including the documents incorporated by reference herein).

Failure to Complete Acquisition

The completion of the Acquisition is subject to receipt of CVPS shareholder, regulatory and other approvals, including those of the PSB and FERC, and the satisfaction of certain closing conditions contained in the Merger Agreement. The failure to obtain the required approvals or satisfy the conditions contained in the Merger Agreement may result in the termination of the Merger Agreement. The termination of the Merger Agreement may have a negative effect on the market price of the Common Shares.

Potential Undisclosed Liabilities Associated with the Acquisition

In connection with the Acquisition, there may be liabilities that the Corporation failed to discover or was unable to quantify in the due diligence which it conducted prior to the execution of the Merger Agreement and the Corporation may not be indemnified for some or all of these liabilities. The discovery or quantification of any material liabilities could have a material adverse effect on the Corporation's business, financial condition or future prospects.

Realization of Acquisition Benefits

The Corporation believes that the Acquisition will provide benefits to Fortis as described under the heading "Recent Developments — Agreement to Acquire Central Vermont Public Service Corporation". However, there is a risk that some or all of the expected benefits of the Acquisition may fail to materialize, or may not occur within the time periods anticipated by the Corporation. The realization of such benefits may be affected by a number of factors, many of which are beyond the control of the Corporation.

AUDITORS

The auditors of the Corporation are Ernst & Young LLP, Chartered Accountants ("Ernst & Young"), The Fortis Building, 7th Floor, 139 Water Street, St. John's, Newfoundland and Labrador A1C 1B2.

LEGAL MATTERS

Certain legal matters relating to this Offering will be passed upon on behalf of the Corporation by Davies Ward Phillips & Vineberg LLP, Toronto and McInnes Cooper, St. John's and on behalf of the Underwriters by Stikeman Elliott LLP, Toronto. At the date hereof, partners and associates of each of Davies Ward Phillips & Vineberg LLP, McInnes Cooper and Stikeman Elliott LLP own beneficially, directly or indirectly, less than 1% of any securities of the Corporation or any associate or affiliate of the Corporation.

TRANSFER AGENT AND REGISTRAR

The Transfer Agent and Registrar for the Offered Shares is Computershare Trust Company of Canada in Toronto and Montréal.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission, revisions of the price or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal advisor.

AUDITORS' CONSENT

We have read the Short Form Prospectus (the "Prospectus") of Fortis Inc. (the "Corporation") dated June 8, 2011 relating to the issue and sale of 9,100,000 Common Shares of the Corporation. We have complied with Canadian generally accepted standards for an auditor's involvement with offering documents.

We consent to the incorporation by reference, in the Prospectus, of our report to the shareholders of the Corporation on the consolidated balance sheets of the Corporation as at December 31, 2010 and 2009 and the consolidated statements of earnings, retained earnings, comprehensive income and cash flows for each of the years in the two year period then ended. Our report is dated March 2, 2011.

St. John's, Canada
June 8, 2011

(Signed) Ernst & Young LLP
Chartered Accountants

CERTIFICATE OF FORTIS INC.

Dated: June 8, 2011

This short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

(Signed) H. STANLEY MARSHALL President and Chief Executive Officer	(Signed) BARRY V. PERRY Vice-President, Finance and Chief Financial Officer

On behalf of the Board of Directors

(Signed) DAVID G. NORRIS Director	(Signed) PETER E. CASE Director

CERTIFICATE OF THE UNDERWRITERS

Dated: June 8, 2011

To the best of our knowledge, information and belief, this short form prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this short form prospectus as required by the securities legislation of each of the provinces of Canada.

Scotia Capital Inc.	**RBC Dominion Securities Inc.**
(Signed) Stephen MacCulloch	(Signed) David Dal Bello

BMO Nesbitt Burns Inc.	**CIBC World Markets Inc.**	**National Bank Financial Inc.**	**TD Securities Inc.**
(Signed) James A. Tower	(Signed) David H. Williams	(Signed) Iain Watson	(Signed) Harold R. Holloway

HSBC Securities (Canada) Inc.

(Signed) Nicole Caty

Beacon Securities Limited

(Signed) Daniel Holland

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