

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This prospectus supplement, together with the short form base shelf prospectus to which it relates dated November 30, 2016, as amended or supplemented, and each document incorporated or deemed to be incorporated by reference in this prospectus supplement and the short form base shelf prospectus, as amended or supplemented, constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities.

Information has been incorporated by reference in this prospectus supplement and the short form base shelf prospectus to which it relates dated November 30, 2016, as amended or supplemented, from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated by reference herein may be obtained on request without charge from the Corporate Secretary of Fortis at Suite 1100, 5 Springdale Street, P.O. Box 8837, St. John's, Newfoundland and Labrador A1B 3T2 (telephone (709) 737-2800) and are also available electronically at www.sedar.com.

New Issue

March 26, 2018

**PROSPECTUS SUPPLEMENT
(to the Short Form Base Shelf Prospectus dated November 30, 2016)**

FORTIS INC.



\$500,000,000

COMMON SHARES

This prospectus supplement, or the Prospectus Supplement, together with the short form base shelf prospectus to which it relates dated November 30, 2016, as amended or supplemented, or the Prospectus, qualifies the distribution, or the Offering, of common shares of Fortis Inc., or the Common Shares, having an aggregate sale price of up to \$500,000,000 (or the equivalent in U.S. dollars determined using the daily exchange rate posted by the Bank of Canada on the date the Common Shares are sold). See "Plan of Distribution".

Our issued and outstanding Common Shares are listed on the Toronto Stock Exchange, or TSX, and the New York Stock Exchange, or the NYSE, under the symbol "FTS". On March 23, 2018, the closing prices of the Common Shares on such exchanges were \$43.25 and US\$33.57, respectively. We have applied to list the Common Shares offered by this Prospectus Supplement for trading on the TSX and the NYSE. The listing of such Common Shares on the TSX and the NYSE will be subject to our fulfillment of all of the listing requirements of the TSX and NYSE, respectively.

We have entered into an equity distribution agreement dated March 26, 2018, or the Distribution Agreement, with Scotia Capital Inc., TD Securities Inc., Morgan Stanley Canada Limited and Wells Fargo Securities Canada Ltd., or collectively, the Canadian Agents, and Scotia Capital (USA) Inc., TD Securities (USA) LLC, Morgan Stanley & Co. LLC and Wells Fargo Securities, LLC, or collectively, the U.S. Agents, and together with the Canadian Agents, the Agents, pursuant to which we may distribute Common Shares in the Offering from time to time through the Agents, as agents, in accordance with the terms of the Distribution Agreement. Sales of Common Shares, if any, under this Prospectus Supplement and the accompanying Prospectus are anticipated to be made in transactions that are deemed to be "at-the-market distributions" as defined in National Instrument 44-102 – *Shelf Distributions*, or NI 44-102, including sales made directly on the TSX or the NYSE or on any other trading market for the Common Shares in Canada or the United States, or the U.S. The Common Shares will be distributed at the market prices prevailing at the time of the sale. As a result, prices at which Common Shares are sold may vary as between purchasers and during the period of any distribution. **There is no minimum amount of funds that must be raised under the Offering. This means that the Offering may terminate after raising only a portion of the offering amount set out above, or none at all. See "Plan of Distribution".**

We will pay the Agents compensation for their services in acting as agents in connection with the sale of Common Shares pursuant to the Distribution Agreement of up to 2% of the gross sales price per Common Share sold, or the Commission, which amount will be paid in the same currency as the Common Shares to which such Commission pertains were sold.

As sales agents, the Agents will not engage in any transactions to stabilize or maintain the price of the Common Shares. No underwriter or dealer involved in the distribution, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer has over-allotted, or will over-allot, Common Shares in connection with the Offering or has effected, or will effect, any other transactions that are intended to stabilize or maintain the market price of the Common Shares.

Investing in the Common Shares involves certain risks that should be carefully considered. See the "Risk Factors" section of the Prospectus, as well as "Risks Related to the Common Shares" in this Prospectus Supplement.

Each of the Agents is an affiliate of a financial institution that has, either solely or as a member of a syndicate of financial institutions, extended credit facilities to, or holds other indebtedness of, us and/or our subsidiaries. Consequently, we may be considered a "connected issuer" of the Agents within the meaning of applicable securities legislation. The net proceeds from this Offering may be used to reduce our indebtedness to such lenders. See "Relationship with Certain of the Agents", "Use of Proceeds" and "Plan of Distribution".

The Canadian Agents will only sell Common Shares on marketplaces in Canada and the U.S. Agents will only sell Common Shares on marketplaces in the U.S.

We are permitted, under the multi-jurisdictional disclosure system adopted by the U.S. and Canada, to prepare this Prospectus Supplement in accordance with Canadian disclosure requirements. You should be aware that such requirements are different from U.S. disclosure requirements. Financial statements incorporated by reference herein have been prepared in accordance with U.S. generally accepted accounting principles, or U.S. GAAP.

The acquisition of the securities described herein may subject you to tax consequences in both the U.S. and Canada. This Prospectus Supplement and the accompanying Prospectus may not describe these tax consequences fully. See “Certain Canadian Federal Income Tax Considerations” and “Certain U.S. Federal Income Tax Considerations”.

Your ability to enforce civil liabilities under U.S. federal securities laws may be affected adversely because we are incorporated under the laws of the Province of Newfoundland and Labrador, Canada, some of our officers and directors and some of the experts named in this Prospectus Supplement and the Prospectus are non-U.S. residents, and some of our assets and some of the assets of those officers, directors and experts are located outside of the U.S. See “Enforceability of Civil Liabilities”.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE U.S. SECURITIES AND EXCHANGE COMMISSION, OR THE SEC, NOR HAS THE SEC PASSED UPON THE ADEQUACY OR ACCURACY OF THIS PROSPECTUS SUPPLEMENT OR THE PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

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NOTICE TO READERS

This document is in two parts. The first part is this Prospectus Supplement, which describes the specific terms of the Offering and also adds to and updates certain information contained in the Prospectus and the documents incorporated by reference herein and therein. The second part is the Prospectus, which gives more general information, some of which may not apply to the Offering. This Prospectus Supplement is deemed to be incorporated by reference in the Prospectus solely for the purpose of the Offering.

If the description of the Common Shares varies between this Prospectus Supplement and the Prospectus, you should rely on the information in this Prospectus Supplement.

You should rely only on the information contained in or incorporated by reference in this Prospectus Supplement and the Prospectus. We have not authorized anyone to provide you with different or additional information. We are not making an offer of Common Shares in any jurisdiction where the offer is not permitted by law. The information contained in this Prospectus Supplement, the Prospectus and the documents incorporated by reference herein and therein is accurate only as of the respective dates of those documents, and you should not assume otherwise.

Unless we have indicated otherwise, or the context otherwise requires, references in this Prospectus Supplement to “Fortis”, “we”, “us” and “our” refer to Fortis Inc. and its consolidated subsidiaries.

SPECIAL NOTE REGARDING FORWARD-LOOKING INFORMATION

This Prospectus Supplement and the Prospectus, including the documents incorporated herein and therein by reference, contain “forward-looking information” within the meaning of applicable Canadian securities laws and “forward-looking statements” within the meaning of the U.S. Private Securities Litigation Reform Act of 1995, collectively referred to herein as “forward-looking information”. The forward-looking information reflects our current expectations regarding our future growth, results of operations, performance, business prospects and opportunities, based on information currently available. These expectations 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”, “assumes”, “believes”, “budgets”, “can”, “could”, “estimates”, “expects”, “forecasts”, “intends”, “may”, “might”, “opportunity”, “plans”, “projects”, “seeks”, “schedule”, “should”, “target”, “will”, “would” and the negative of these terms 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 us.

The forward-looking information in this Prospectus Supplement and the Prospectus, including the documents incorporated herein and therein by reference, includes, but is not limited to, statements regarding: the aggregate amount of the total proceeds that we will receive pursuant to the Offering; the expectation that we will not be a “passive foreign investment company” for the taxable year ending December 31, 2018 or thereafter; the expectation that we will remain at the forefront of emerging technologies; our forecast gross consolidated and segmented capital expenditures for 2018 and for the period 2018 through 2022 and expected associated increase to rate base; expected consolidated fixed-term debt maturities and repayments in 2018 and over the next five years; the expectation that we and our subsidiaries will continue to have reasonable access to long-term capital in 2018; targeted average annual dividend growth through 2022; expected timing of filing of regulatory applications and receipt and outcome of regulatory decisions; statements related to Fortis Turks and Caicos recovery of lost revenue as a result of the impact of Hurricane Irma and the timing thereof; the nature, timing, funding sources and expected costs of certain capital projects including, without limitation, the ITC Holdings Corp., or ITC, Multi-Value Regional Transmission Projects and 34.6 to 69 kilovolts Conversion Project, UNS Energy Corporation flexible generation resource investment and Gila River Generating Station Unit 2, FortisBC Energy Inc. expansion of the Tilbury liquefied natural gas, or LNG, facility, Eagle Mountain Woodfibre Gas Pipeline Project, Lower Mainland System Upgrade and Pipeline Integrity Management Program and additional opportunities beyond the base plan including the Wataynikaneyap Project, the Lake Erie Connector Project and additional LNG infrastructure investment in British Columbia; the expectation that subsidiary operating expenses and interest costs will be paid out of subsidiary operating cash flows; the expectation that cash required to complete subsidiary capital expenditure programs will be sourced from a combination of borrowings under credit facilities, long-term debt offerings and equity injections from us; the expectation that maintaining the targeted capital structure of our regulated operating subsidiaries will not have an impact on our ability to pay dividends in the foreseeable future; the expectation that cash required by us to support subsidiary capital expenditure programs and finance acquisitions will be derived from a combination of borrowings under our committed corporate credit facility and proceeds from the issuance of common shares, preference shares and long-term debt; the expectation that we and our subsidiaries will remain compliant with debt covenants throughout 2018; statements related to the Offering, including the expected use of proceeds from the Offering, if any; the intent of management to refinance certain borrowings

under our long-term committed credit facilities with long-term permanent financing; the expectation that the adoption of future accounting pronouncements will not have a material impact on our consolidated financial statements; the impact of U.S. tax reform on our annual earnings per share and cash flow at our U.S. regulated utilities; and the expectation that long-term sustainable growth in rate base will support continuing growth in earnings and dividends.

The forecasts and projections that make up the forward-looking information included in this Prospectus Supplement and the Prospectus are based on assumptions which include, but are not limited to: the receipt of applicable regulatory approvals and requested rate orders, no material adverse regulatory decisions being received, and the expectation of regulatory stability; no material capital project and financing cost overrun related to any of our capital projects; the realization of additional opportunities; our board of directors, or the Board of Directors, exercising its discretion to declare dividends, taking into account our business performance and financial condition; no significant variability in interest rates; 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 our electricity and gas systems to ensure their continued performance; no severe and prolonged downturn in economic conditions; no significant decline in capital spending; sufficient liquidity and capital resources; the continuation of regulator-approved mechanisms to flow through the cost of natural gas and energy supply costs in customer rates; the ability to hedge exposures to fluctuations in foreign exchange rates, natural gas prices and electricity prices; no significant changes in tax laws; 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, fuel, coal and electricity supply; continuation and regulatory approval of power supply and capacity purchase contracts; the ability to fund defined benefit pension plans, earn the assumed long-term rates of return on the related assets and recover net pension costs in customer rates; no significant changes in government energy plans, environmental laws and regulations that may materially negatively affect us or our subsidiaries; maintenance of adequate insurance coverage; the ability to obtain and maintain licences and permits; retention of existing service areas; the continued tax deferred treatment of earnings from our foreign operations; continued maintenance of information technology infrastructure and no material breach of cyber-security; continued favourable relations with First Nations; favourable labour relations; that we can reasonably assess the merit of and potential liability attributable to ongoing legal proceedings; and sufficient human resources to deliver service and execute the capital program.

The forward-looking information involves significant 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: the price at which Common Shares are sold in the Offering and the aggregate net proceeds received by us as a result of the Offering; uncertainty regarding the outcome of regulatory proceedings at our utilities; uncertainty of the impact a continuation of a low interest rate environment may have on the allowed rate of return on common shareholders' equity at our regulated utilities; the impact of fluctuations in foreign exchange rates; uncertainty related to the impact of the U.S. Tax Cuts and Jobs Act on our future results of operations; risk associated with the impacts of less favourable economic conditions on our results of operations; risk associated with our ability to continue to comply with Section 404(a) of the *Sarbanes-Oxley Act of 2002* and the related rules of the SEC and the Public Company Accounting Oversight Board; risk associated with the completion of our 2018 capital expenditure program, including completion of major capital projects on the timelines anticipated and at the expected amounts; and uncertainty in the timing and access to capital markets to arrange sufficient and cost-effective financing to finance, among other things, capital expenditures and the repayment of maturing debt. For additional information with respect to our risk factors and risk factors relating to the Common Shares, reference should be made to the section of this Prospectus Supplement entitled "Risks Related to the Common Shares", the section of the Prospectus entitled "Risk Factors", to the documents incorporated herein and therein by reference and to our continuous disclosure materials filed from time to time with Canadian securities regulatory authorities and with the SEC.

All forward-looking information in this Prospectus Supplement, the Prospectus and in the documents incorporated herein and therein by reference is qualified in its entirety by the above cautionary statements and we disclaim any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

DOCUMENTS INCORPORATED BY REFERENCE

This Prospectus Supplement is deemed to be incorporated by reference in the Prospectus solely for the purpose of the Offering. The following documents filed by us with the securities commission or similar authority in each of the provinces of Canada are specifically incorporated by reference in, and form an integral part of, this Prospectus Supplement and the Prospectus:

- (a) our Annual Information Form dated February 14, 2018, for the fiscal year ended December 31, 2017;

- (b) our audited consolidated financial statements as at December 31, 2017 and December 31, 2016 and for the fiscal years then ended, together with the notes thereto, or the Annual Financial Statements, and the auditor report thereon of Deloitte LLP dated February 14, 2018 and the auditor report thereon of Ernst & Young LLP, our former auditor, dated February 15, 2017, except as to Note 31 which is dated as of February 14, 2018;
- (c) our Management Discussion and Analysis of financial condition and results of operations dated February 14, 2018 for the fiscal year ended December 31, 2017, or the Annual MD&A; and
- (d) our Management Information Circular dated March 17, 2017 prepared in connection with our annual and special meeting of shareholders held on May 4, 2017.

Any document of the type referred to above, including any material change report (other than any confidential material change report), any business acquisition report and any prospectus supplements relating to the Offering disclosing additional or updated information, subsequently filed by us with such securities commissions or regulatory authorities in Canada after the date of this Prospectus Supplement, and prior to the termination of the Offering, shall be deemed to be incorporated by reference into this Prospectus Supplement and the Prospectus. In addition, pursuant to the decision dated March 23, 2018 granted by the Ontario Securities Commission, or the OSC, (as principal regulator) pursuant to National Policy 11-203 – *Process for Exemptive Relief Applications in Multiple Jurisdictions*, or the Decision, if we disseminate a news release in respect of previously undisclosed information that, in our determination, constitutes a “material fact” (as such term is defined under applicable Canadian securities laws), we will identify such news release as a “designated news release” for the purposes of this Prospectus Supplement and the Prospectus in writing on the face page of the version of such news release that we file on the Canadian Securities Administrator’s System for Electronic Document Analysis and Retrieval, or SEDAR, each such news release a Designated News Release, and each such Designated News Release shall be deemed to be incorporated by reference into this Prospectus Supplement and the Prospectus only for the purposes of the Offering.

Documents and information in an annual report on Form 40-F filed by us with the SEC under the U.S. Securities Exchange Act of 1934, as amended, or the Exchange Act, from the date of this Prospectus Supplement and prior to the termination or completion of the Offering shall be deemed to be incorporated by reference into this Prospectus Supplement and the registration statement of which this Prospectus Supplement forms a part. In addition, any other report on Form 6-K and the exhibits thereto filed or furnished by us with the SEC under the Exchange Act from the date of this Prospectus Supplement and prior to the termination or completion of the Offering shall be deemed to be incorporated by reference into this Prospectus Supplement or as exhibits to the registration statement of which this Prospectus Supplement forms a part, as applicable, but only if and to the extent expressly so provided in such reports. Our current reports on Form 6-K and our annual reports on Form 40-F are available on the SEC’s Electronic Data Gathering and Retrieval website, or EDGAR, at www.sec.gov.

Any statement contained in this Prospectus Supplement, the Prospectus or in a document incorporated or deemed to be incorporated by reference in this Prospectus Supplement or the Prospectus shall be deemed to be modified or superseded for the purposes of this Prospectus Supplement and the Prospectus to the extent that a statement contained in this Prospectus Supplement, or in any subsequently filed document which is or is deemed to be incorporated by reference in this Prospectus Supplement or the Prospectus, modifies or supersedes that 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 shall not be deemed an admission for any purposes 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 constitute a part of this Prospectus Supplement or the Prospectus except as so modified or superseded.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

Copies of the documents incorporated in this Prospectus Supplement and the Prospectus by reference may be obtained on request without charge from our Corporate Secretary at Suite 1100, 5 Springdale Street, P.O. Box 8837, St. John’s, Newfoundland and Labrador, A1B 3T2 (telephone (709) 737-2800). These documents are also available through the Internet on our website at www.fortisinc.com or on SEDAR which can be accessed at www.sedar.com. The information contained on, or accessible through, any of these websites is not incorporated by reference into this Prospectus Supplement or the Prospectus and is not, and should not be considered to be, a part of this Prospectus Supplement or the Prospectus unless it is explicitly so incorporated.

In addition to our continuous disclosure obligations under the securities laws of the provinces of Canada, we are subject to the informational requirements of the Exchange Act and in accordance therewith file reports and other information with the SEC. Under the multi-jurisdictional disclosure system adopted by the U.S., or MJDS, such reports and other information may be prepared in accordance with the disclosure requirements of Canada, which requirements are different from those of the U.S. Any information filed with the SEC can be read and copied at prescribed rates at the SEC’s Public Reference Room at 100 F Street, N.E., Washington, D.C. 20549. Information on the operation of the Public Reference Room may be obtained by calling the SEC at 1-800-SEC-0330 or by accessing its website at www.sec.gov. Some of the documents that we file with or furnish to the SEC are electronically available from the SEC’s Electronic Document Gathering and Retrieval System, which is commonly known by the acronym “EDGAR”, and may be accessed at www.sec.gov.

We have filed with the SEC a registration statement on Form F-10 (File No. 333-214787) under the U.S. Securities Act of 1933, as amended, or the Securities Act, with respect to the Common Shares offered by this Prospectus Supplement. This Prospectus Supplement, which forms a part of the registration statement, does not contain all of the information set forth in the registration statement, certain parts of which have been omitted in accordance with the rules and regulations of the SEC. For further information with respect to us and the Offering, reference is made to the registration statement and to the schedules and exhibits filed therewith. Statements contained in this Prospectus Supplement as to the contents of certain documents are not necessarily complete and, in each instance, reference is made to the copy of the document filed as an exhibit to the registration statement. Each such statement is qualified in its entirety by such reference.

PRESENTATION OF FINANCIAL INFORMATION

Financial statements incorporated by reference in this Prospectus Supplement and the Prospectus have been prepared in accordance with U.S. GAAP. Certain calculations included in tables and other figures in this Prospectus Supplement and the Prospectus have been rounded for clarity of presentation.

CURRENCY AND EXCHANGE RATE INFORMATION

This Prospectus Supplement contains references to U.S. dollars and Canadian dollars. All dollar amounts referenced, unless otherwise indicated, are expressed in Canadian dollars. References to “\$” or “C\$” are to Canadian dollars and references to “US\$” are to U.S. dollars. The following table shows, for the years indicated, certain information regarding the Canadian dollar/U.S. dollar exchange rate. The information is based on the historical noon exchange rate as reported by the Bank of Canada for all periods prior to March 1, 2017, and on the daily average rate as reported by the Bank of Canada for all periods on and after March 1, 2017. Such exchange rate on March 23, 2018 was C\$1.2856 = US\$1.00.

	Period End	Average ⁽¹⁾	Low	High
	(C\$ per US\$)			
Year ended December 31,				
2017.....	1.2545	1.2986	1.2128	1.3743
2016.....	1.3427	1.3248	1.2544	1.4589

⁽¹⁾ The average of the noon buying rates and daily average rates, as applicable, during the relevant period.

FORTIS

We are principally an international electric and gas utility holding company, with total assets of approximately \$48 billion as at December 31, 2017 and revenue totaling approximately \$8.3 billion for the year ended December 31, 2017. Our electricity systems met a combined peak demand of 32,134 megawatts, or MW, in 2017 and our gas distribution systems met a peak day demand of 1,585 terajoules, or TJ, in 2017. Our approximately 8,500 employees serve utility customers in five Canadian provinces, nine U.S. states and three Caribbean countries.

RISKS RELATED TO THE COMMON SHARES

An investment in the Common Shares offered hereby involves certain risks. You should carefully consider the risk factors described under the heading “Business Risk Management” found on pages 36 to 47 of the Annual MD&A which is incorporated by reference herein. In addition, you should carefully consider, in light of your own financial circumstances, the risk factors set out below

which relate to the Common Shares, as well as the other information contained in this Prospectus Supplement, the Prospectus, including under the heading “Risk Factors” found on pages 23 to 25, the documents incorporated by reference herein and therein and in all subsequently filed documents incorporated by reference, before making an investment decision.

Price volatility of Common Shares

The market price of our Common Shares has in the past been, and may in the future be, subject to large fluctuations which may result in losses for investors. The market price of our Common Shares may increase or decrease in response to a number of events and factors, including:

- our operating performance and the performance of competitors and other similar companies;
- the public’s reaction to our press releases, other public announcements and our filings with the various securities regulatory authorities;
- changes in earnings estimates or recommendations by research analysts who track our securities;
- the operating and share price performance of other companies that investors may deem comparable;
- changes in general economic and/or political conditions;
- the arrival or departure of key personnel;
- acquisitions, strategic alliances or joint ventures involving us or our competitors; and
- the number of Common Shares sold on any one day or in the aggregate pursuant to the Offering.

In addition, the market price of our Common Shares is affected by many variables not directly related to our success and not within our control, including other developments that affect the market for all utilities sector securities or the equity markets generally, the breadth of the public market for our Common Shares, and the attractiveness of alternative investments. These variables may adversely affect the prices of our Common Shares regardless of our operating performance.

Uses of the net proceeds from the Offering

We currently expect to apply the net proceeds we receive from the Offering as described under “Use of Proceeds” of this Prospectus Supplement. As described thereunder, management has broad discretion with respect to the actual application of those net proceeds, and may elect to apply such proceeds differently than is described thereunder if management believes that it would be in our best interest to do so. The failure by management to apply the net proceeds effectively could have a material adverse effect on our business.

Future sales or issuances of securities of Fortis

We may issue additional securities to finance future activities outside of the Offering. We cannot predict the size of future issuances of securities or the effect, if any, that future issuances and sales of securities will have on the market price of the Common Shares. Sales or issuances of substantial numbers of Common Shares, or the perception that such sales could occur, may adversely affect prevailing market prices of the Common Shares. In connection with any issuance of Common Shares, investors will suffer dilution to their voting power and we may experience dilution in our earnings per share.

Payment of Future Dividends

Our Board of Directors reviews our financial performance quarterly and makes a determination of the appropriate level of dividends to be declared in the following quarter, if any. Currently, payment of dividends on our Common Shares is funded primarily from dividends we receive from our subsidiaries. Our subsidiaries are separate legal entities and have no independent obligation to pay dividends to us. Prior to paying dividends to us, the subsidiaries have financial obligations that must be satisfied, including, among others, their operating expenses and obligations to creditors. Furthermore, our utilities are required by regulation to maintain a

minimum equity-to-total capital ratio that may restrict their ability to pay dividends to us or may require that we contribute capital to them. The future enactment of laws or regulations may prohibit or further restrict the ability of our subsidiaries to pay upstream dividends or to repay intercorporate indebtedness. In addition, in the event of a subsidiary's liquidation or reorganization, our right to participate in a distribution of assets is subject to the prior claims of the subsidiary's creditors. As a result, our ability to generate cash flow to pay dividends is reliant on the ability of our subsidiaries to generate sustained earnings and cash flows and to pay dividends.

CONSOLIDATED CAPITALIZATION

The following describes the changes in our share and loan capital structure from January 1, 2018 to March 23, 2018.

- (a) During the period from January 1, 2018 up to and including March 23, 2018, the number of issued and outstanding Common Shares increased by an aggregate of 1,910,381 Common Shares as a result of (i) issuances under our Dividend Reinvestment Plan, or DRIP, and Employee Share Purchase Plan, or ESPP, and (ii) the exercise of options granted pursuant to the 2006 and 2012 Stock Option Plans.
- (b) During the period from January 1, 2018 up to and including March 23, 2018, our consolidated long-term debt, capital lease and finance obligations, including current portions and committed credit facility borrowings classified as long-term debt, increased by approximately \$574 million, principally due to changes in foreign exchange rates over the period.

We may from time to time during the period that the Offering remains in effect issue and sell Common Shares having an aggregate sale price of up to \$500,000,000 (or the equivalent in U.S. dollars determined using the daily exchange rate posted by the Bank of Canada on the date the Common Shares are sold). See "Plan of Distribution".

DESCRIPTION OF THE COMMON SHARES

We are authorized to issue an unlimited number of Common Shares. See "Description of Securities Offered – Common Shares" in the Prospectus for a description of the material attributes and characteristics of the Common Shares. As of March 23, 2018, 423,047,800 Common Shares were issued and outstanding.

DIVIDEND POLICY

Dividends on the Common Shares are declared at the discretion of our Board of Directors. We declared and paid cumulative cash dividends on our Common Shares of \$1.625 in 2017. On December 7, 2017, our Board of Directors declared a first quarter dividend of \$0.425 per Common Share, which was paid on March 1, 2018 to holders of record at the close of business on February 15, 2018. We have increased our annual Common Share dividend payment for 44 consecutive years.

We have targeted average annual dividend growth of approximately 6% through 2022. This dividend guidance takes into account many factors, including the expectation of reasonable outcomes for regulatory proceedings at our utilities, the successful execution of the five-year capital expenditure program, and management's continued confidence in the strength of our diversified portfolio of utilities and record of operational excellence. See "Risks Related to the Common Shares – Payment of Future Dividends".

USE OF PROCEEDS

We intend to use the net proceeds from the Offering, if any, for general corporate purposes. We may invest funds which we do not immediately require in short-term marketable investment grade securities. We may, from time to time, issue securities (including equity securities) other than pursuant to this Prospectus Supplement.

The net proceeds from the Offering are not determinable in light of the nature of the distribution. The net proceeds of any given distribution of Common Shares through the Agents in an "at-the-market distribution" will represent the gross proceeds after deducting the applicable compensation payable to the Agents under the Distribution Agreement and the expenses of the distribution. See "Plan of Distribution".

PLAN OF DISTRIBUTION

We have entered into the Distribution Agreement with the Agents under which we may issue and sell from time to time Common Shares having an aggregate sale price of up to \$500,000,000 (or the equivalent in U.S. dollars determined using the daily exchange rate posted by the Bank of Canada on the date the Common Shares are sold) in each of the provinces of Canada and in the U.S. pursuant to placement notices delivered by us to the Agents from time to time in accordance with the terms of the Distribution Agreement. Sales of Common Shares, if any, will be made in transactions that are deemed to be “at-the-market distributions” as defined in NI 44-102, including sales made by the Agents directly on the TSX, the NYSE or any other trading market for the Common Shares in Canada or the U.S. Subject to the pricing parameters in a placement notice, the Common Shares will be distributed at the market prices prevailing at the time of the sale. As a result, price may vary as between purchasers and during the period of distribution. Pursuant to the Decision, the number of Common Shares sold on the TSX or another Canadian marketplace as at-the-market distributions on any trading day will not exceed 25% of the trading volume of the Common Shares on the TSX and all other Canadian marketplaces on that day. We cannot predict the number of Common Shares that we may sell under the Distribution Agreement on the TSX, the NYSE or any other trading market for the Common Shares in Canada or the U.S., or if any Common Shares will be sold.

The Agents will offer the Common Shares subject to the terms and conditions of the Distribution Agreement on a daily basis or as otherwise agreed upon by us and the Agents. We will designate the maximum amount of Common Shares to be sold pursuant to any single placement notice to the applicable Agent or Agents. We will identify in the placement notice which Agent or Agents will effect the placement. Subject to the terms and conditions of the Distribution Agreement, the Agents will use their commercially reasonable efforts to sell, on our behalf, all of the Common Shares requested to be sold by us. We may instruct the Agents not to sell Common Shares if the sales cannot be achieved at or above the price designated by us in a particular placement notice. Under the Distribution Agreement, no Agent has any obligation to purchase as principal for its own account any Common Shares that we propose to sell pursuant to any placement notice delivered by us to the applicable Agent or Agents. If we sell the Common Shares to one or more of the Agents as principal, we will enter into a separate agreement with such Agent or Agents and will describe that agreement in a separate prospectus supplement or free writing prospectus.

Either we or the Agents may suspend the Offering upon proper notice to the other party. We and the Agents each have the right, by giving written notice as specified in the Distribution Agreement, to terminate the Distribution Agreement in each party’s sole discretion at any time.

We will pay the Agents the Commission for their services in acting as agents in connection with the sale of Common Shares pursuant to the Distribution Agreement. The amount of the Commission will be up to 2% of the gross sales price per Common Share sold. The Commission will be paid in the same currency as the Common Shares to which such Commission pertains were sold. The sales proceeds remaining after payment of the Commission and after deducting any expenses payable by us and any transaction or filing fees imposed by any governmental, regulatory, or self-regulatory organization in connection with the sales, will equal the net proceeds to us from the sale of such Common Shares.

The applicable Agent or Agents will provide written confirmation to us no later than the opening of the trading day immediately following the trading day on which it has made sales of the Common Shares under the Distribution Agreement. Each confirmation will include the number of Common Shares sold on such day, the average price of the Common Shares sold on such day, the gross proceeds, the commission payable by us to the Agents with respect to such sales and the net proceeds payable to us.

We will disclose the number and average price of the Common Shares sold under this Prospectus Supplement, as well as the gross proceeds, Commission and net proceeds from sales hereunder in our annual and interim financial statements and management’s discussion and analysis filed on SEDAR and EDGAR, for any quarters in which sales of Common Shares occur.

Settlement for sales of Common Shares will occur, unless the parties agree otherwise, on the second trading day on the applicable exchange following the date on which any sales were made in return for payment of the net proceeds to us. There is no arrangement for funds to be received in an escrow, trust or similar arrangement. Sales of Common Shares in the U.S. will be settled through the facilities of The Depository Trust Company or by such other means as we and the Agents may agree upon and sales of Common Shares in Canada will be settled through the facilities of CDS Clearing and Depository Services Inc. or by such other means as we and the Agents may agree.

The Canadian Agents will only sell Common Shares on marketplaces in Canada and the U.S. Agents will only sell Common Shares on marketplaces in the U.S.

In connection with the sales of the Common Shares on our behalf, each of the Agents may be deemed to be an “underwriter” within the meaning of the Securities Act, and the compensation paid to the Agents may be deemed to be underwriting commissions or discounts. We have agreed in the Distribution Agreement to provide indemnification and contribution to the Agents against certain liabilities, including liabilities under the Securities Act. In addition, we have agreed to pay the reasonable expenses of the Agents in connection with the Offering, pursuant to the terms of the Distribution Agreement. The Agents and their affiliates will not engage in any transactions to stabilize or maintain the price of our Common Shares in connection with any offer or sales of Common Shares pursuant to the Distribution Agreement. No underwriter or dealer involved in the distribution, no affiliate of such an underwriter or dealer and no person or company acting jointly or in concert with such an underwriter or dealer has over-allotted, or will over-allot, securities in connection with the distribution or effected, or will effect any other transactions that are intended to stabilize or maintain the market price of the securities.

As a consequence of their participation in the offering, the Agents will be entitled to share in the Commission relating to the offering of the Common Shares. We may have outstanding indebtedness owing to certain of the Agents and lending affiliates of such Agents, a portion of which we may reduce or repay with the net proceeds of the Offering. See “Use of Proceeds” and “Relationship with Certain of the Agents”. As a result, one or more of such Agents or their affiliates may receive more than 5% of the net proceeds from the Offering in the form of the repayment of such indebtedness. Accordingly, the Offering will be conducted in accordance with Rule 5121 of the Financial Industry Regulatory Authority, Inc., or FINRA. Pursuant to this rule, the appointment of a qualified independent underwriter is not necessary in connection with the Offering, because the conditions of FINRA Rule 5121(a)(1)(B) are satisfied. To comply with FINRA Rule 5121, each of the Agents will not confirm any sales to any account over which it exercises discretionary authority without the specific written approval of the transaction from the account holder.

The total expenses related to the commencement of the Offering to be paid by us, excluding the Commission payable to the Agents under the Distribution Agreement, are estimated to be approximately \$1.2 million.

Pursuant to the Distribution Agreement, the Offering will terminate upon the earlier of (i) December 30, 2018, (ii) the issuance and sale of all of the Common Shares subject to the Distribution Agreement, and (iii) the termination of the Distribution Agreement as permitted therein.

We have applied to list the Common Shares offered by this Prospectus Supplement for trading on the TSX and the NYSE. The listing of such Common Shares on the TSX and the NYSE will be subject to our fulfillment of all of the listing requirements of the TSX and the NYSE, respectively.

RELATIONSHIP WITH CERTAIN OF THE AGENTS

Each of the Agents is an affiliate of a financial institution that has, either solely or as a member of a syndicate of financial institutions, extended credit facilities to, or holds other indebtedness of, us and/or our subsidiaries. Consequently, we may be considered a “connected issuer” of the Agents within the meaning of applicable securities legislation. Proceeds from the Offering may be used to reduce indebtedness owed by us to lending affiliates of the Agents or may be invested in short term deposits or securities of or with the Agents or their affiliates. See “Use of Proceeds” and “Plan of Distribution”.

The decision to make any distribution of Common Shares pursuant to the Offering and the determination of the terms of the Offering from time to time will be made through negotiation between us and the Agents. No bank has had or will have any involvement in such decision or determination. As at March 23, 2018, an aggregate of approximately \$22.4 billion was outstanding under our existing indebtedness, or the Existing Indebtedness, which includes our consolidated long-term debt, capital lease and finance obligations, including current portions, and committed credit facility borrowings classified as long-term debt. We are in material compliance with our respective obligations under the Existing Indebtedness. Since entering into the Existing Indebtedness, no breach thereunder has been waived by the lenders thereof; there has been no material change in our or our subsidiaries’ financial position or condition; and the value of any security for any such Existing Indebtedness has not changed, except in the ordinary course of business, or except as otherwise described in this Prospectus Supplement and the Prospectus (including in the documents incorporated by reference herein and therein).

The Agents and/or their affiliates have, from time to time, performed, and may in the future perform, various financial advisory and commercial and investment banking services for us, for which they have received and in the future may receive customary compensation and expense reimbursement. In addition, in the ordinary course of their various business activities, the Agents and/or their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related

derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve our securities and instruments. The Agents and/or their affiliates may also make investment recommendations or publish or express independent research views in respect of such securities or instruments and may at any time hold, or recommend to clients that they acquire, long or short positions in such securities and instruments.

PRIOR SALES

The following table summarizes our issuances of Common Shares and securities convertible into Common Shares during the 12 months prior to the date of this Prospectus Supplement:

<u>Date</u>	<u>Security</u>	<u>Weighted Average Issue Price or Exercise Price per Security, as applicable</u>	<u>Number of Securities</u>
March 1, 2017	Common – DRIP ⁽¹⁾	\$ 41.78	1,503,934
March 1, 2017	Common – ESPP ⁽²⁾	\$ 42.48	140,360
March 1, 2017	Common – CSPP ⁽³⁾	\$ 42.63	7,629
March 3, 2017	Common – Directed Offering	\$ 41.00	12,195,122
March 2017	Common – Exercise of Stock Options ⁽⁴⁾	\$ 31.19	100,205
March 2017	Common – Conversion of Convertible Debentures ⁽⁵⁾	\$ 30.72	662
April 2017	Common – Exercise of Stock Options ⁽⁴⁾	\$ 32.55	393,045
May 2017	Common – Exercise of Stock Options ⁽⁴⁾	\$ 33.43	170,020
June 1, 2017	Common – DRIP ⁽¹⁾	\$ 43.34	1,450,453
June 1, 2017	Common – ESPP ⁽²⁾	\$ 44.28	136,777
June 1, 2017	Common – CSPP ⁽³⁾	\$ 44.22	7,383
June 2017	Common – Exercise of Stock Options ⁽⁴⁾	\$ 33.32	156,217
August 2017	Common – Exercise of Stock Options ⁽⁴⁾	\$ 35.48	100,847
September 1, 2017	Common – DRIP ⁽¹⁾	\$ 44.83	1,369,415
September 1, 2017	Common – ESPP ⁽²⁾	\$ 45.74	83,295
September 1, 2017	Common – CSPP ⁽³⁾	\$ 45.78	5,724
September 2017	Common – Exercise of Stock Options ⁽⁴⁾	\$ 35.34	6,179
October 2017	Common – Exercise of Stock Options ⁽⁴⁾	\$ 34.09	97,589
November 2017	Common – Exercise of Stock Options ⁽⁴⁾	\$ 33.37	51,656
December 1, 2017	Common – DRIP ⁽¹⁾	\$ 46.78	1,452,118
December 1, 2017	Common – ESPP ⁽²⁾	\$ 47.72	79,446
December 2017	Common – Exercise of Stock Options ⁽⁴⁾	\$ 37.35	5,829
January 2018	Common – Exercise of Stock Options ⁽⁴⁾	\$ 32.95	10,892
February 2018	Common – Exercise of Stock Options ⁽⁴⁾	\$ 33.24	102,556
March 2018	Common – DRIP ⁽¹⁾	\$ 41.08	1,543,414
March 2018	Common – ESPP ⁽²⁾	\$ 41.91	195,214
March 2018	Common – Exercise of Stock Options ⁽⁴⁾	\$ 33.37	58,305

(1) Issued pursuant to our DRIP.

(2) Issued pursuant to our ESPP.

(3) Issued pursuant to our Consumer Share Purchase Plan, which was terminated effective September 13, 2017.

(4) Issued on the exercise of options granted pursuant to our 2006 and 2012 Stock Option Plans.

(5) Issued upon the conversion of the convertible debentures issued by us on January 9, 2014 in connection with the financing of the acquisition of UNS Energy Corporation.

TRADING PRICES AND VOLUMES

The following table sets forth, for the periods indicated, the reported high and low daily trading prices and the aggregate volume of trading of our Common Shares on the TSX and the NYSE.

	Trading of Common Shares			Trading of Common Shares		
	TSX			NYSE		
	<u>High</u> (\$)	<u>Low</u> (\$)	<u>Volume</u> (#)	<u>High</u> (US\$)	<u>Low</u> (US\$)	<u>Volume</u> (#)
2017						
March.....	44.44	41.95	23,887,789	33.37	31.27	1,854,618
April.....	45.13	43.70	12,649,620	33.99	32.29	1,036,211
May.....	45.04	43.12	22,773,180	33.03	31.72	966,730
June.....	47.06	44.42	20,317,098	35.73	32.91	1,209,849
July.....	45.66	43.98	13,049,471	36.59	34.25	1,067,510
August.....	46.43	45.06	15,095,563	36.96	35.73	1,031,598
September.....	45.80	44.01	18,615,874	37.64	35.33	1,191,801
October.....	47.78	44.45	13,132,871	37.54	35.62	1,697,605
November.....	48.73	46.53	14,498,699	38.24	36.13	1,993,741
December.....	47.96	45.69	15,184,454	37.60	35.77	1,581,609
2018						
January.....	46.00	42.56	23,833,658	36.63	34.49	2,164,264
February.....	43.48	39.38	27,141,195	35.35	31.41	2,299,440
March 1 to 23.....	43.68	41.52	20,367,323	34.03	32.29	1,473,325

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

In the opinion of Davies Ward Phillips & Vineberg LLP, counsel to Fortis, and Stikeman Elliott LLP, counsel to the Agents, or collectively, Counsel, the following summary describes, as of the date of this Prospectus Supplement, the principal Canadian federal income tax considerations pursuant to the *Income Tax Act* (Canada), or the Tax Act, generally applicable to a holder who acquires, as beneficial owner, Common Shares pursuant to this offering and who deals at arm's length with us and the Agents for purposes of the Tax Act, or a Holder.

This summary is based upon the provisions of the Tax Act and the regulations thereunder, or the Regulations, in force as of the date hereof, all specific proposals to amend the Tax Act or the Regulations that have been publicly announced prior to the date hereof, or the "Proposed Amendments", and Counsel's understanding of the current published administrative policies and practices of the Canada Revenue Agency. This summary assumes that the Proposed Amendments will be enacted in the form proposed; however, no assurance can be given that the Proposed Amendments will be enacted in the form proposed, if at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Proposed Amendments, does not take into account any changes in the law, whether by legislative, governmental or judicial action, nor does it take into account provincial, territorial or foreign tax considerations, which may differ from those discussed herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Holder, and no representations with respect to the income tax consequences to any Holder are made. Consequently, Holders and prospective holders of Common Shares should consult their own tax advisors for advice with respect to the tax consequences to them of acquiring Common Shares pursuant to this offering, having regard to their particular circumstances. This summary does not address any tax considerations applicable to persons other than Holders and such persons should consult their own tax advisors regarding the consequences of acquiring, holding and disposing of Common Shares under the Tax Act and any jurisdiction in which they may be subject to tax.

Foreign Exchange

For the purposes of the Tax Act, all amounts expressed in a currency other than Canadian dollars relating to the acquisition, holding or disposition of a Common Share, including dividends, adjusted cost base and proceeds of disposition, must be determined in Canadian dollars using the relevant rate of exchange required under the Tax Act.

Residents of Canada

The following summary is generally applicable to a Holder who, at all relevant times for purposes of the Tax Act (a) is, or is deemed to be, resident in Canada, (b) holds Common Shares as “capital property”, and (c) is not affiliated with us or the Agents, or a Resident Holder. Generally, Common Shares are considered to be capital property to a Resident Holder unless they are held in the course of carrying on a business or as part of an adventure or concern in the nature of trade. Certain Resident Holders whose Common Shares do not otherwise qualify as capital property may, in certain circumstances, make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have their Common Shares and every other “Canadian security” (as defined in the Tax Act) owned by such holder in the taxation year of the election and in all subsequent taxation years deemed to be capital property. Resident Holders are advised to consult their own tax advisors to determine whether such an election is available and desirable in their particular circumstances.

This summary is not applicable to a Resident Holder: (i) that is a “financial institution” for the purposes of the “mark-to-market” rules contained in the Tax Act; (ii) that is a “specified financial institution”; (iii) an interest in which would be a “tax shelter investment”; (iv) that has elected to report its Canadian tax results in a currency other than the Canadian currency; or (v) that enters into a “derivative forward agreement” in respect of Common Shares, as each of those terms is defined in the Tax Act. Additional considerations, not discussed herein, may apply to a Resident Holder that is a corporation and is, or becomes, or does not deal at arm’s length for purposes of the Tax Act with a corporation resident in Canada (the “other Canadian corporation”) that is or becomes, as part of a transaction or event or series of transactions or events that include the acquisition of Common Shares, controlled by a non-resident corporation for purposes of the “foreign affiliate dumping” rules in section 212.3 of the Tax Act and in respect of which a subsidiary of Fortis is, or would at any time be, a “foreign affiliate” as defined in the Tax Act of the corporation or the other Canadian corporation. Any such Resident Holder should consult its own tax advisor with respect to an investment in Common Shares.

Dividends

Dividends received or deemed to be received on Common Shares by a Resident Holder who is an individual (other than certain trusts) will be included in computing the individual’s income for tax purposes and will be subject to the gross-up and dividend tax credit rules normally applicable to dividends received from “taxable Canadian corporations” (as defined in the Tax Act), including the enhanced gross-up and dividend tax credit in respect of dividends designated by us as “eligible dividends”. A dividend will be an eligible dividend if the recipient receives written notice (which may include a notice published on our website) from us designating the dividend as an “eligible dividend”. There may be limitations on our ability to designate dividends as “eligible dividends”.

Taxable dividends received by a Resident Holder who is an individual (including certain trusts) may give rise to a liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act. Resident Holders who are individuals should consult their own advisors in this regard.

A Resident Holder that is a corporation will include dividends received or deemed to be received on Common Shares in computing its income for tax purposes and generally will be entitled to deduct the amount of such dividends in computing its taxable income, with the result that no tax will be payable by it in respect of such dividends. In certain circumstances, subsection 55(2) of the Tax Act will treat a taxable dividend received or deemed to be received by a Resident Holder that is a corporation as proceeds of disposition or a capital gain. Resident Holders that are corporations should consult their own tax advisors having regard to their own circumstances.

Certain Resident Holders that are corporations, including a “private corporation” or a “subject corporation” (as such terms are defined in the Tax Act), may be liable under Part IV of the Tax Act to pay a refundable tax on dividends received or deemed to be received on the Common Shares to the extent that such dividends are deductible in computing the corporation’s taxable income.

Dispositions of Common Shares

A disposition or deemed disposition of a Common Share by a Resident Holder will generally result in the Resident Holder realizing a capital gain (or capital loss) equal to the amount by which the proceeds of disposition of the Common Share, net of any reasonable costs of disposition, are greater (or less) than the Resident Holder’s adjusted cost base of the Common Share. Such capital gain (or capital loss) will be subject to the tax treatment described below under “*Residents of Canada – Taxation of Capital*”

Gains and Capital Losses

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of a Common Share may be reduced by the amount of certain dividends received or deemed to have been received on such Common Share (or on a share for which such Common Share has been substituted) to the extent and under the circumstances described in the Tax Act. Analogous rules apply to a partnership or trust of which a corporation, trust or partnership is a member or beneficiary. Resident Holders should consult their own tax advisors for specific advice regarding the application of the relevant “stop-loss” provisions in the Tax Act.

The adjusted cost base to the Resident Holder of a Common Share acquired pursuant to this Offering will, at any particular time, be determined in accordance with certain rules in the Tax Act by averaging the cost of such share with the adjusted cost base of all Common Shares owned by the Resident Holder as capital property at that time, if any.

Taxation of Capital Gains and Capital Losses

Generally, one-half of any capital gain, or a taxable capital gain, realized by a Resident Holder in a taxation year must be included in computing the Resident Holder’s income for the year, and one-half of any capital loss, or an allowable capital loss, realized by a Resident Holder in a taxation year must be deducted from taxable capital gains realized by the Resident Holder in that year. Allowable capital losses for a taxation year in excess of taxable capital gains for that year generally may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years, to the extent and under the circumstances described in the Tax Act.

Taxable capital gains realized by a Resident Holder who is an individual (including certain trusts) may give rise to liability for alternative minimum tax as calculated under the detailed rules set out in the Tax Act. A Resident Holder that is a “Canadian-controlled private corporation” (as defined in the Tax Act) may be liable to pay an additional refundable tax on certain investment income, including taxable capital gains.

Non-Residents of Canada

The following summary is generally applicable to a Holder who, at all relevant times for purposes of the Tax Act and any applicable tax treaty or convention (a) is not, and is not deemed to be, resident in Canada, and (b) does not use or hold, and is not deemed to use or hold, Common Shares in the course of carrying on a business in Canada, or a Non-Resident Holder. Special rules which are not discussed in this summary may apply to a Non-Resident Holder that is an insurer which carries on an insurance business in Canada and elsewhere.

It is assumed that Common Shares will not be “taxable Canadian property” of a Non-Resident Holder at any time. Generally, Common Shares will not be taxable Canadian property to a Non-Resident Holder at a particular time provided that the Common Shares are listed on a designated stock exchange (such as the TSX or the NYSE) at that time, unless at any time during the 60-month period that ends at that time: (i) one or any combination of (a) the Non-Resident Holder, (b) persons with whom the Non-Resident Holder does not deal at arm’s length and (c) partnerships in which the Non-Resident Holder or a person described in (b) holds a membership interest (directly or indirectly through one or more partnerships), own 25% or more of our issued shares of any class or series, and (ii) more than 50% of the fair market value of the Common Shares was derived directly or indirectly from any combination of: (a) real or immovable property situated in Canada, (b) “timber resource property” (within the meaning of the Tax Act), (c) “Canadian resource property” (within the meaning of the Tax Act) or (d) options in respect of, or interests in, or for civil law rights in, any of the foregoing, whether or not the property exists. Notwithstanding the foregoing, in certain circumstances set out in the Tax Act, a Common Share could be deemed to be taxable Canadian property.

Dividends

Dividends paid or credited (or deemed to be paid or credited) on Common Shares to a Non-Resident Holder are generally subject to Canadian withholding tax. Under the Tax Act, the rate of withholding tax is 25% of the gross amount of such dividends, which rate may be subject to reduction under the provisions of an applicable tax treaty or convention. Under the *Canada-United States Income Tax Convention*, or the U.S. Treaty, a Non-Resident Holder who is resident in the U.S. for the purposes of the U.S. Treaty and who is entitled to the benefits of such treaty will generally be subject to Canadian withholding tax at a rate of 15% of the amount of such dividends. In addition, under the U.S. Treaty, dividends may be exempt from Canadian withholding tax if paid

to certain Non-Resident Holders that are qualifying religious, scientific, literary, educational or charitable tax-exempt organizations, or are qualifying trusts, companies organizations or other arrangements operated exclusively to administer or provide pension, retirement or employee benefits which are exempt from tax in the U.S., and that have complied with specific administrative procedures.

Dispositions of Common Shares

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain realized on a disposition (or deemed disposition) of a Common Share.

CERTAIN U.S. FEDERAL INCOME TAX CONSIDERATIONS

General

In the opinion of Davies Ward Phillips & Vineberg LLP, counsel to Fortis with respect to U.S. federal income tax, the following summary describes the material U.S. federal income tax consequences relating to an investment in the Common Shares. This summary is based on the Internal Revenue Code of 1986, as amended, or the Code, its legislative history, existing final, temporary and proposed Treasury Regulations, rulings and judicial decisions, all as currently in effect and all of which are subject to prospective and retroactive rulings and changes. We will not seek a ruling from the Internal Revenue Service, or the IRS, with regard to the U.S. federal income tax treatment relating to an investment in the Common Shares and, therefore, there can be no assurance that the IRS will agree with the conclusions set forth below.

This summary does not purport to address all U.S. federal income tax consequences that may be relevant to a particular investor and each investor is urged to consult its own tax advisor regarding its specific tax situation. The summary applies only to holders who hold Common Shares as “capital assets” (generally, property held for investment) under the Code, and does not address the tax consequences that may be relevant to investors in special tax situations including, for example:

- insurance companies;
- regulated investment companies and real estate investment trusts;
- tax exempt organizations;
- broker dealers;
- traders in securities that elect to mark to market;
- banks or other financial institutions;
- investors whose functional currency is not the U.S. dollar;
- U.S. expatriates;
- investors that hold the Common Shares as part of a hedge, straddle or conversion transaction;
- holders that purchase or otherwise acquire Common Shares other than through this Offering; or
- holders that own, directly, indirectly, or constructively stock representing 10.0% or more of the total combined voting stock or value of Fortis.

Further, this summary does not address the alternative minimum tax consequences of an investment in Common Shares or the indirect consequences to holders of equity interests in entities that own the Common Shares. In addition, this summary does not address the state, local and foreign tax consequences of an investment in the Common Shares. Each investor should consult its own tax advisor regarding the U.S. federal, state, local and foreign and other tax consequences of purchasing, owning, and disposing of

the Common Shares in its particular circumstances.

An investor is a “U.S. holder” if it is a beneficial owner of Common Shares and is for U.S. federal income tax purposes:

- an individual citizen or resident alien of the U.S.;
- a corporation, or any other entity taxable as a corporation, created or organized in or under the laws of the U.S., any state thereof, or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust, if a court within the U.S. is able to exercise primary supervision over its administration and one or more U.S. persons have the authority to control all substantial decisions of the trust, or if the trust has made a valid election to be treated as a U.S. person.

If a partnership (or other entity treated as a partnership for U.S. federal income tax purposes) holds Common Shares, the tax treatment of a partner will generally depend upon the status of the partner and upon the activities of the partnership. Partners of partnerships holding Common Shares should consult their own tax advisors.

Dividends on Common Shares

Dividends paid by us to a U.S. holder with respect to Common Shares (including amounts withheld in respect of any Canadian withholding taxes) generally will be taxable to such U.S. holder as ordinary dividend income when such U.S. holder receives the dividend, actually or constructively, to the extent paid out of our current or accumulated earnings and profits (as determined for U.S. federal income tax purposes). Currently, dividends paid by a “qualified foreign corporation” to individual U.S. holders who also meet certain holding period requirements will be taxable at a maximum tax rate of 20%. We expect that Fortis will constitute a qualified foreign corporation for U.S. federal income tax purposes and that distributions it makes to individual U.S. holders that are treated as dividends for U.S. federal income tax purposes will be treated as qualified dividend income eligible for such reduced maximum rates, provided the applicable holding period requirements are met. If distributions by us do not qualify for this reduced maximum rate, U.S. holders will be subject to tax on such distributions at ordinary income rates. Dividends in excess of the current and accumulated earnings and profits of Fortis will be treated first as a non-taxable return of capital reducing such U.S. holder’s tax basis in the Common Shares. Any dividends in excess of such tax basis will be treated as capital gain and will be either long-term or short-term capital gain depending upon whether the U.S. holder held the Common Shares for more than one year. Dividends paid by us generally will not be eligible for the dividends-received deduction available to certain U.S. corporate shareholders.

Foreign Tax Credit

Subject to certain limitations, a U.S. holder may be entitled to a credit or deduction against its U.S. federal income taxes for the amount of any Canadian taxes that are withheld from dividend distributions made to such U.S. holder. The decision to claim either a credit or deduction must be made annually and will apply to all foreign taxes paid by the U.S. holder to any foreign country or U.S. possession with respect to the applicable tax year. The limitation on foreign taxes eligible for credit is calculated separately with respect to specific classes of income. Dividends received with respect to the Common Shares will be treated as foreign source income and generally will constitute “passive category income” or “general category income” for U.S. foreign tax credit limitation purposes. The rules regarding the availability of foreign tax credits are complex and U.S. holders may be subject to various limitations on the amount of foreign tax credits that are available. We therefore urge prospective purchasers to consult their own tax advisors regarding the availability of the foreign tax credit under their particular circumstances.

The amount of any cash dividend paid in Canadian dollars will equal the U.S. dollar value of the dividend, calculated by reference to the exchange rate in effect at the time the dividend is includable in income by the U.S. holder, regardless of whether the payment is in fact converted to U.S. dollars at that time. Generally, a U.S. holder should not recognize any foreign currency gain or loss if such Canadian dollars are converted into U.S. dollars on the date includable in income. If the Canadian dollars are not converted into U.S. dollars on the date includable in income, however, gain or loss may be recognized upon a subsequent sale or other disposition of the Canadian dollars. Such foreign currency gain or loss, if any, will be U.S. source ordinary income or loss.

Sale, Exchange or Other Disposition of Common Shares

A U.S. holder will generally recognize capital gain or loss upon the sale, exchange or other disposition of the Common Shares measured by the difference between the amount received and the U.S. holder's adjusted tax basis in the Common Shares. Any gain or loss will be long-term capital gain or loss if the Common Shares have been held for more than one year and will generally be U.S. source gain or loss. Long-term capital gains of non-corporate U.S. holders, including individuals, will be eligible for reduced tax rates, currently at a maximum of 20%. A U.S. holder's ability to deduct capital losses is subject to limitations.

For cash-basis U.S. holders who receive foreign currency in connection with a sale, exchange or other disposition of Common Shares, the amount realized will be based upon the U.S. dollar value of the foreign currency received with respect to such Common Shares as determined on the settlement date of such sale, exchange or other disposition. Accrual-basis U.S. holders may elect the same treatment required of cash-basis taxpayers with respect to a sale, exchange or other disposition of Common Shares, provided that the election is applied consistently from year to year. Such election cannot be changed without the consent of the IRS. Accrual-basis U.S. holders that do not elect to be treated as cash-basis taxpayers (pursuant to the Treasury Regulations applicable to foreign currency transactions) for this purpose may have a foreign currency gain or loss for U.S. federal income tax purposes because of differences between the U.S. dollar value of the foreign currency received prevailing on the date of such sale, exchange or other disposition and the value prevailing on the settlement date. Any such currency gain or loss will generally be treated as ordinary income or loss that is U.S. source, in addition to the gain or loss, if any, recognized on the sale, exchange or other disposition of Common Shares.

Passive Foreign Investment Company Rules

U.S. holders generally will be subject to a special, adverse tax regime that would differ in certain respects from the tax treatment described above if we are, or were to become, a passive foreign investment company, or PFIC, for U.S. federal income tax purposes. Although the determination of whether a corporation is a PFIC is made annually based on the facts and circumstances in existence at such time and consequently may be subject to change, we do not believe that Fortis is, nor do we expect Fortis to become, a PFIC for U.S. federal income tax purposes. However, the matter is not free from doubt. We urge holders to consult their own tax advisors regarding the adverse tax consequences of owning the Common Shares were Fortis to be or become a PFIC and certain elections that may be available to lessen those adverse consequences.

Medicare Tax

The U.S. generally imposes a tax of 3.8% on the "net investment income" of certain individuals, trusts and estates. Among other items, net investment income generally includes gross income from interest and dividends as well as net gain attributable to the disposition of certain property, less certain deductions. U.S. holders should consult their own tax advisors regarding the possible implications of this legislation in their particular circumstances.

Backup Withholding and Information Reporting

In general, dividends on Common Shares and payments of the proceeds of a sale, exchange or other disposition of Common Shares, paid to a U.S. holder within the U.S. or through certain U.S.-related financial intermediaries, are subject to information reporting requirements and may be subject to backup withholding at a rate currently equal to 24% unless the holder is a corporation or other exempt recipient, or provides an accurate taxpayer identification number and certifies that no loss of exemption from backup withholding has occurred. U.S. holders who are required to establish their exempt status must provide such certification on IRS Form W-9.

Backup withholding is not an additional tax. A holder generally will be allowed a credit of the amount of any backup withholding against its U.S. federal income tax liability or may obtain a refund of any amounts withheld under the backup withholding rules that exceed the holder's income tax liability by timely filing a refund claim with the IRS.

U.S. return disclosure obligations (and related penalties for failure to disclose) apply to certain U.S. individuals who hold specified foreign financial assets if the total value of all such assets is more than US\$50,000 on the last day of the tax year or more than US\$75,000 at any time during the tax year. The definition of specified foreign financial assets may include the Common Shares. U.S. holders should consult their own tax advisors regarding the application of these disclosure obligations. U.S. holders may be required to make various tax filings with respect to their investments in the Common Shares, including, among others,

LEGAL MATTERS

Certain legal matters relating to this Offering will be passed upon on our behalf by Davies Ward Phillips & Vineberg LLP, Toronto, Ontario and Davies Ward Phillips & Vineberg LLP, New York, New York and on behalf of the Agents, with respect to certain legal matters relating to Canadian law, by Stikeman Elliott LLP, Toronto, Ontario, and, with respect to certain legal matters relating to U.S. law, by Paul, Weiss, Rifkind, Wharton & Garrison LLP, Toronto, Ontario and New York, New York. At the date hereof, partners and associates of each of Davies Ward Phillips & Vineberg LLP and Stikeman Elliott LLP own beneficially, directly or indirectly, less than 1% of any of our securities or any securities of our associates or affiliates.

EXPERTS

The Annual Financial Statements have been incorporated by reference in this Prospectus Supplement and in the registration statement including the related audit reports of Deloitte LLP, our current auditor, and Ernst & Young LLP, our former auditor.

Our audited consolidated financial statements as at December 31, 2017 and for the fiscal year then ended, and the effectiveness of our internal control over financial reporting, have been audited by Deloitte LLP, an independent registered public accounting firm, as stated in their reports, which are incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing. Deloitte LLP is independent of us within the meaning of the Rules of Professional Conduct of the Chartered Professional Accountants of Newfoundland and Labrador and within the meaning of the applicable rules and regulations adopted by the Public Company Accounting Oversight Board (United States) and the SEC.

Our audited comparative consolidated financial statements as at December 31, 2016 and for the fiscal year then ended have been audited by Ernst & Young LLP, a registered public accounting firm, as stated in their auditor report thereon which is incorporated herein by reference. Such consolidated financial statements have been so incorporated in reliance upon the reports of such firm given upon their authority as experts in accounting and auditing.

ENFORCEABILITY OF CIVIL LIABILITIES

We are continued under the laws of the Province of Newfoundland and Labrador, Canada. The majority of our directors and officers, and some of the experts named in this Prospectus, are residents of Canada, and all or a substantial portion of their assets, and a substantial portion of our assets, are located outside the U.S. We have appointed an agent for service of process in the U.S., but it may be difficult for holders of Common Shares who reside in the U.S. to effect service within the U.S. upon those directors, officers and experts who are not residents of the U.S. It may also be difficult for holders of the Common Shares who reside in the U.S. to realize in the U.S. upon judgments of courts of the U.S. predicated upon our civil liability and the civil liability of our directors and officers and experts under U.S. federal securities laws.

We have filed with the SEC an appointment of agent for service of process on Form F-X. Under the Form F-X, we have appointed CT Corporation System, 111 Eighth Avenue, New York, New York 10011, as our agent for service of process in the U.S. in connection with any investigation or administrative proceeding conducted by the SEC, and any civil suit or action brought against us in a U.S. court arising out of or related to or concerning the offering of securities under the registration statement of which this Prospectus Supplement forms a part.

We have been advised by our Canadian counsel, Davies Ward Phillips & Vineberg LLP, that a judgment of a U.S. court predicated solely upon civil liability under U.S. federal securities laws would probably be enforceable in Canada if the U.S. court in which the judgment was obtained has a basis for jurisdiction in the matter that would be recognized by a Canadian court for the same purposes. We have also been advised by Davies Ward Phillips & Vineberg LLP, however, that there is real doubt whether an action could be brought in Canada in the first instance on the basis of liability predicated solely upon U.S. federal securities laws.

Four of our directors, Mr. Lawrence T. Borgard, Ms. Maura J. Clark, Ms. Margarita K. Dille and Mr. Joseph L. Welch, reside outside of Canada and each has appointed Fortis Inc., Suite 1100, 5 Springdale Street, P.O. Box 8837, St. John's, Newfoundland and Labrador A1B 3T2 as agent for service of process. You are advised that it may not be possible to enforce

judgments obtained in Canada against any person that resides outside of Canada, even if such person has appointed an agent for service of process.

AUDITOR

Our auditor is Deloitte LLP, 5 Springdale Street, Suite 1000, St. John's, Newfoundland and Labrador A1E 0E4.

DOCUMENTS FILED AS PART OF THE REGISTRATION STATEMENT

The following documents have been or will be filed with the SEC as part of the registration statement of which this Prospectus Supplement forms a part: the documents referred to under "Documents Incorporated by Reference"; consent of Deloitte LLP; consent of Ernst & Young LLP; consent of Davies Ward Phillips & Vineberg LLP; consent of Stikeman Elliott LLP; and powers of attorney from directors and officers of the Corporation.

ELIGIBILITY FOR INVESTMENT

In the opinion of Counsel, subject to the provisions of any particular plan, the Common Shares offered hereby, if issued on the date hereof, would be, as of the date hereof, qualified investments under the Tax Act and the Regulations for a trust governed by a registered retirement savings plan, or an RRSP, a registered retirement income fund, or an RRIF, a registered education savings plan, or an RESP, a registered disability savings plan, or an RDSP, a deferred profit sharing plan or a tax-free savings account, or a TFSA.

Notwithstanding the foregoing, if the Common Shares are a "prohibited investment" (as defined in the Tax Act) for a trust governed by an RRSP, RRIF, RESP, RDSP or a TFSA, the annuitant under an RRSP or RRIF, the subscriber of an RESP or the holder of an RDSP or a TFSA will be subject to a penalty tax as set out in the Tax Act. The Common Shares will generally not be a "prohibited investment" provided that such holder, subscriber or annuitant, as the case may be, deals at arm's length with us for purposes of the Tax Act and does not have a "significant interest" in us (within the meaning of the prohibited investment rules in the Tax Act). In addition, the Common Shares will not be a prohibited investment if the Common Shares are "excluded property" for a trust governed by an RRSP, RRIF, RESP, RDSP or a TFSA within the meaning of the prohibited investment rules in the Tax Act. Prospective investors who intend to hold Common Shares in an RRSP, RRIF, RESP, RDSP or a TFSA should consult their own tax advisors as to whether Common Shares will be prohibited investments in their particular circumstances.

EXEMPTIONS

Pursuant to a Decision of the OSC (as principal regulator) pursuant to National Policy 11-203 – *Process for Exemptive Relief Applications in Multiple Jurisdictions* dated March 23, 2018: (a) the Agents and any other registered investment dealer acting on behalf of the Agents as a selling agent are exempt from the requirement under securities legislation in each of the provinces of Canada to send or deliver the Prospectus (including the applicable prospectus supplement(s)) and any amendment to the Prospectus, to a purchaser of Common Shares under any at-the-market distribution made under this Prospectus Supplement; (b) we are exempt from the requirement to include in this Prospectus Supplement and any amendment hereto the form of underwriter certificate for a prospectus supplement prescribed by NI 44-102, provided that a specified modified form of forward-looking underwriter certificate in the form set out in this Prospectus Supplement is included; and (c) we are exempt from the requirement to include in this Prospectus Supplement the statement respecting purchasers' statutory rights of withdrawal and remedies of rescission or damages in the form prescribed by National Instrument 44-101 - *Short Form Prospectus Distributions* provided that the disclosure in the form set out under "Statutory Rights of Withdrawal and Rescission" is included in this Prospectus Supplement and any amendment hereto.

The Decision is also conditional upon: (a) certain liquidity requirements in respect of the Common Shares; (b) the disclosure of the number and average price of Common Shares sold pursuant to at-the-market distributions, as well as gross proceeds, commissions and net proceeds, in our annual and interim financial statements and management discussion and analysis filed on SEDAR; (c) the inclusion of a modified form of forward-looking issuer certificate page in this Prospectus Supplement and any amendment hereto; (d) the limitation that the number of Common Shares sold on the TSX or another Canadian marketplace pursuant to the Offering on any given trading day will not exceed 25% of the trading volume of the Common Shares on the TSX and all other Canadian marketplaces on that day; and (e) other conditions as set out in the Decision.

STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

The following is a description of a purchaser's statutory rights in connection with any purchase of Common Shares pursuant to the Offering. Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities and with remedies for rescission or, in some jurisdictions, revisions of the price, or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment are not delivered to the purchaser, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. However, purchasers of Common Shares under an at-the-market distribution by us will not have the right to withdraw from an agreement to purchase the Common Shares and will not have remedies of rescission or, in some jurisdictions, revisions of the price, or damages for non-delivery of the Prospectus Supplement and the accompanying Prospectus because the Prospectus Supplement, the accompanying Prospectus and any amendment thereto relating to Common Shares purchased by such purchaser in the Offering will not be delivered, as permitted under the Decision.

Securities legislation in certain of the provinces of Canada further provides purchasers with remedies for rescission or, in some jurisdictions, revisions of the price or damages if the prospectus, prospectus supplements relating to securities purchased by a purchaser and any amendment contains a misrepresentation, provided that the remedies are exercised by the purchaser within the time limit prescribed by securities legislation. Any remedies under securities legislation that a purchaser of Common Shares under an at-the-market distribution by us may have against us or the Agents for rescission or, in some jurisdictions, revisions of the price, or damages if the Prospectus Supplement, the accompanying Prospectus and any amendment thereto relating to Common Shares purchased by such purchaser contain a misrepresentation will remain unaffected by the non-delivery and the Decision referred to above.

A purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province and the Decision for the particulars of these rights or consult with a legal adviser.

CERTIFICATE OF FORTIS INC.

Dated March 26, 2018

The short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, as of the date of a particular distribution of securities under the prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

(SIGNED) BARRY V. PERRY
PRESIDENT AND
CHIEF EXECUTIVE OFFICER

(SIGNED) KARL W. SMITH
EXECUTIVE VICE-PRESIDENT,
CHIEF FINANCIAL OFFICER

On Behalf of the Board of Directors

(SIGNED) DOUGLAS J. HAUGHEY
DIRECTOR

(SIGNED) TRACEY C. BALL
DIRECTOR

CERTIFICATE OF THE AGENTS

Dated March 26, 2018

To the best of our knowledge, information and belief, the short form prospectus, together with the documents incorporated in the prospectus by reference, as supplemented by the foregoing, as of the date of a particular distribution of securities under the prospectus, will, as of that date, constitute full, true and plain disclosure of all material facts relating to the securities offered by the prospectus and this supplement as required by the securities legislation of each of the provinces of Canada.

SCOTIA CAPITAL INC.

By: (SIGNED) JARED STEINFELD

TD SECURITIES INC.

By: (SIGNED) HAROLD R. HOLLOWAY

MORGAN STANLEY CANADA LIMITED

By: (SIGNED) DYLAN MCGUIRE

WELLS FARGO SECURITIES CANADA LTD.

By: (SIGNED) DARIN E. DESCHAMPS