

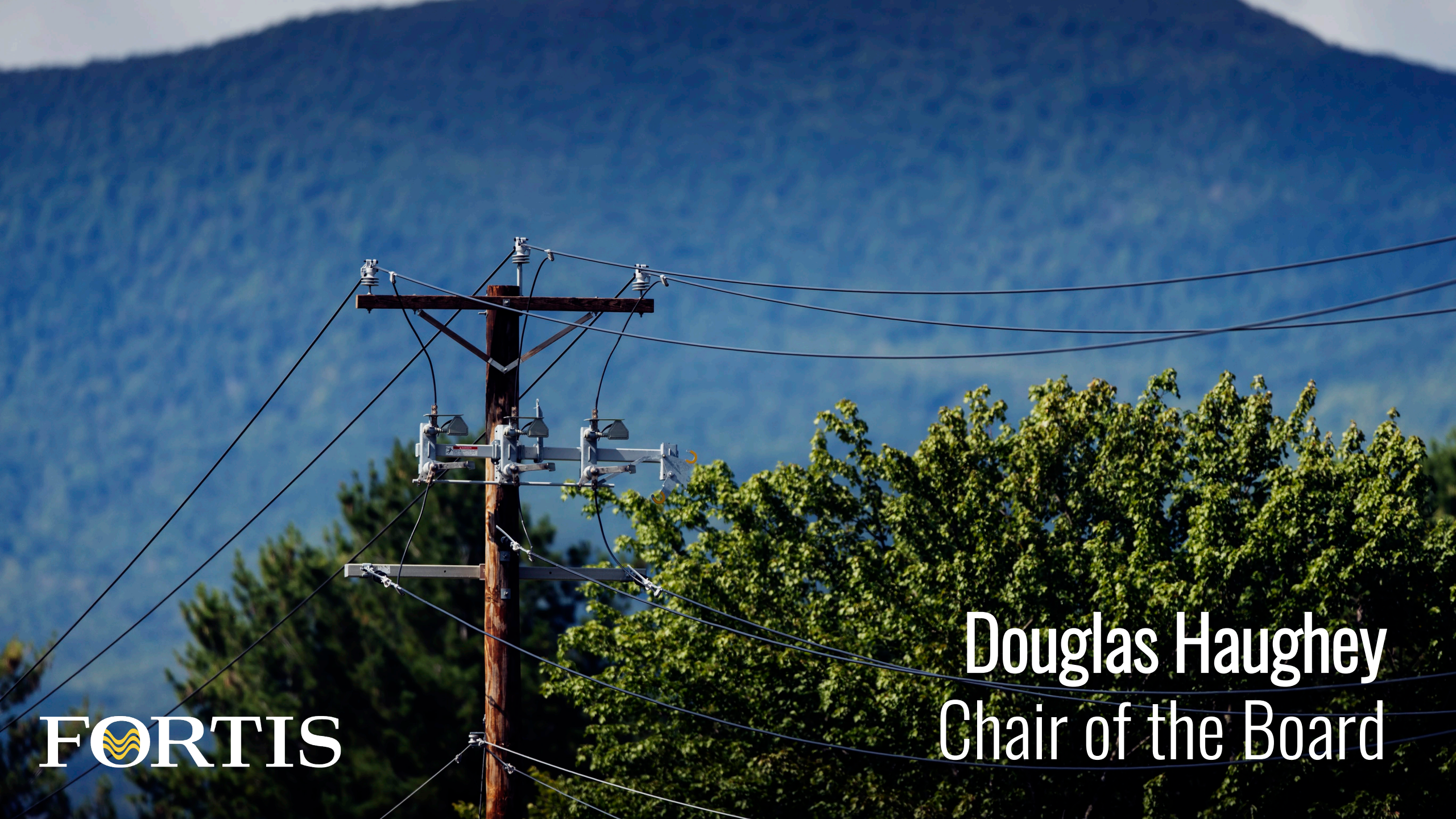
# Welcome to the Fortis Annual Meeting

# FORTIS<sup>INC.</sup>

May 2, 2019







**FORTIS**

**Douglas Haughey**  
**Chair of the Board**





Barry Perry  
President and  
Chief Executive Officer

FORTIS



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## EXECUTIVE TEAM

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**Barry Perry**

President and CEO

**Jim Laurito**

EVP, Business Development

**Jocelyn Perry**

EVP, Chief Financial Officer

**Phonse Delaney**

EVP, Chief Information Officer

**Jim Reid**

EVP, Chief Legal Officer &  
Corporate Secretary

**Gary Smith**

EVP, Eastern Canadian & Caribbean  
Operations

**Nora Duke**

EVP, Sustainability & Chief HR Officer

**David Hutchens**

EVP, Western Utility Operations



## FORTIS OPERATING COMPANIES PRESIDENT & CEO GROUP

**Peter Alteen**, Newfoundland Power

**Richard Hew**, Caribbean Utilities

**Linda Apsey**, ITC Holdings

**David Hutchens**, UNS Energy

**Roger Dall'Antonia**, FortisBC

**Mike Mosher**, FortisAlberta

**Charlie Freni**, Central Hudson

**Eddinton Powell**, Fortis Turks and Caicos

**John Gaudet**, Maritime Electric

**Lynn Young**, BECOL

**Scott Hawkes**, FortisOntario



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# FORWARD LOOKING INFORMATION

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Fortis includes "forward-looking information" in this presentation 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 as "forward-looking information". Forward-looking information included in this presentation reflects expectations of Fortis management regarding future growth, results of operations, performance and business prospects and opportunities. Wherever possible, words such as "anticipates", "believes", "budgets", "could", "estimates", "expects", "forecasts", "intends", "may", "might", "plans", "projects", "schedule", "should", "target", "will", "would" and the negative of these terms and other similar terminology or expressions have been used to identify the forward-looking information, which include, without limitation: forecast capital expenditures for the period 2019 through 2023; forecast rate base for the period 2019 through 2023; targeted average annual dividend growth through 2023; expected debt ratios and credit metrics; expected expenditures and benefits related to FortisBC energy conservation and efficiency projects; the nature, timing and expected costs of certain capital projects including, without limitation, the Lower Mainland Intermediate Pressure System Upgrade Project, Wataynikaneyap Transmission Power Project and Oso Grande Wind Project; and renewable targets at TEP.

Forward-looking information involves significant risks, uncertainties and assumptions. Certain material factors or assumptions have been applied in drawing the conclusions contained in the forward-looking information. These factors or assumptions are subject to inherent risks and uncertainties surrounding future expectations generally, including those identified from time to time in the forward-looking information. Such risk factors or assumptions include, without limitation: the implementation of the five-year capital investment plan; no material capital project and financing cost overrun related to any of the capital projects; sufficient human resources to deliver service and execute the capital program; the realization of additional opportunities; the impact of fluctuations in foreign exchange; the Board exercising its discretion to declare dividends, taking into account the business performance and financial condition of the Corporation; reasonable decisions by utility regulators and the expectation of regulatory stability and no significant changes in laws and regulations that may materially negatively affect the Corporation and its subsidiaries. Fortis cautions readers that a number of factors could cause actual results, performance or achievements to differ materially from the results discussed or implied in the forward-looking information. These factors should be considered carefully and undue reliance should not be placed on the forward-looking information. For additional information with respect to certain of these risks or factors, reference should be made to the continuous disclosure materials filed from time to time by Fortis with Canadian securities regulatory authorities and the Securities and Exchange Commission. All forward-looking information in this presentation is given as of the date of this presentation and Fortis disclaims any intention or obligation to update or revise any forward-looking information, whether as a result of new information, future events or otherwise.

Unless otherwise specified, all financial information referenced is in Canadian dollars and references to rate base refer to mid-year rate base.





Our growth strategy creates long-term shareholder value



# 2018 Capital Investment Program Largest to Date At \$3.2 Billion





# Five-year Capital Investment Plan of \$17.3 Billion





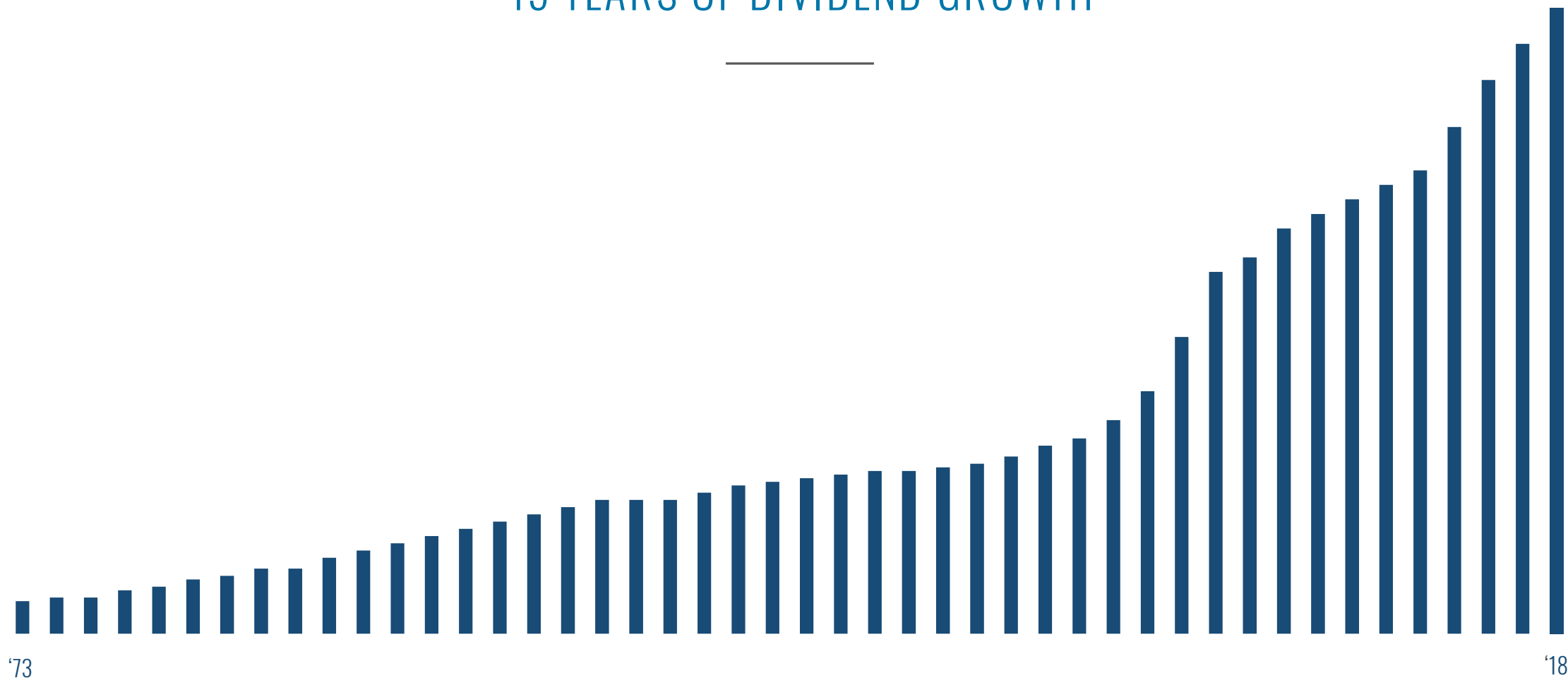
# A Geographically Diverse Energy Delivery Company That Is Nearly 100% Regulated

-  Regulated Electric
-  Regulated Gas
-  FERC-Regulated Electric Transmission
-  Long-Term Contracted Hydro Generation
-  Natural Gas Storage Facility





45 YEARS OF DIVIDEND GROWTH





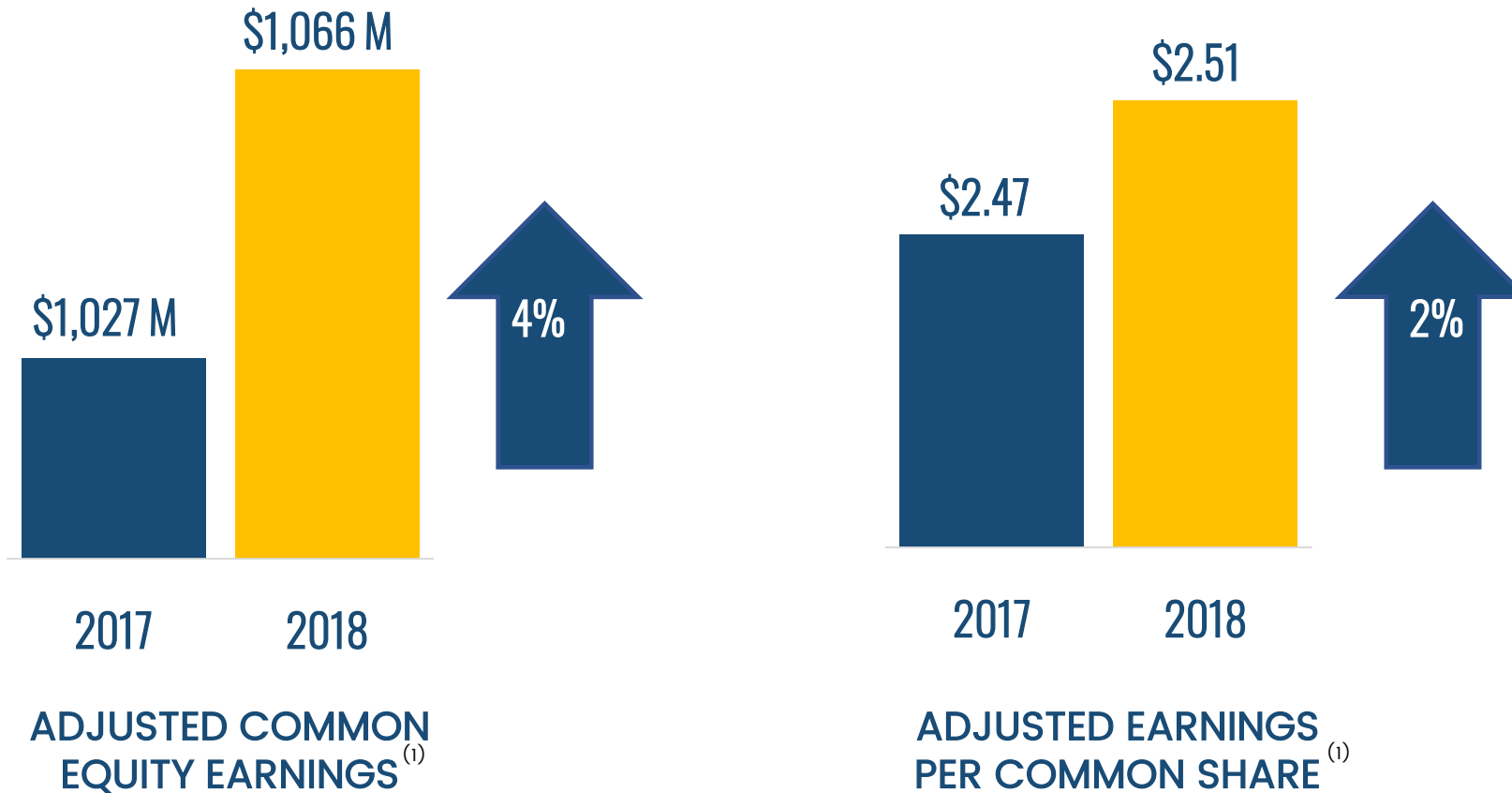


Jocelyn Perry  
Executive Vice President  
Chief Financial Officer

**FORTIS**



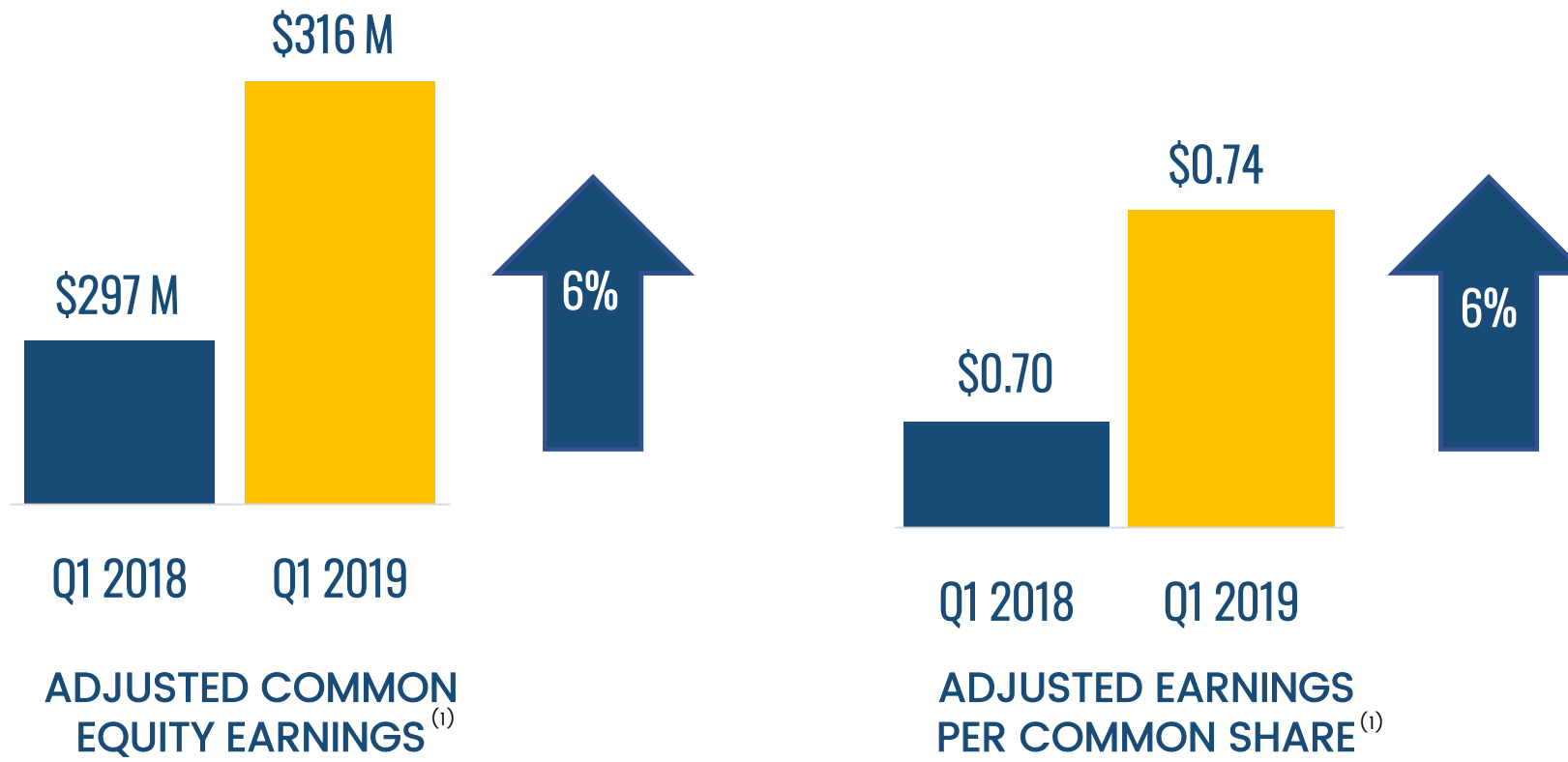
## FOCUSED ON GROWING YOUR COMPANY



<sup>(1)</sup> Adjusted Common Equity Earnings and Adjusted Earnings Per Common Share are Non-US GAAP Financial Measures. A reconciliation to the nearest US GAAP measure can be found in the Appendix.



## FOCUSED ON GROWING YOUR COMPANY





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## RATING AGENCIES RANK FORTIS BUSINESS RISK PROFILE AS EXCELLENT/STRONG<sup>1</sup>

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	A- / BBB+ <sup>2</sup>
	BBB (high)
MOODY'S	Baa3

## 2019-2023 Plan Supports

CFO/Debt  $\geq$  11%

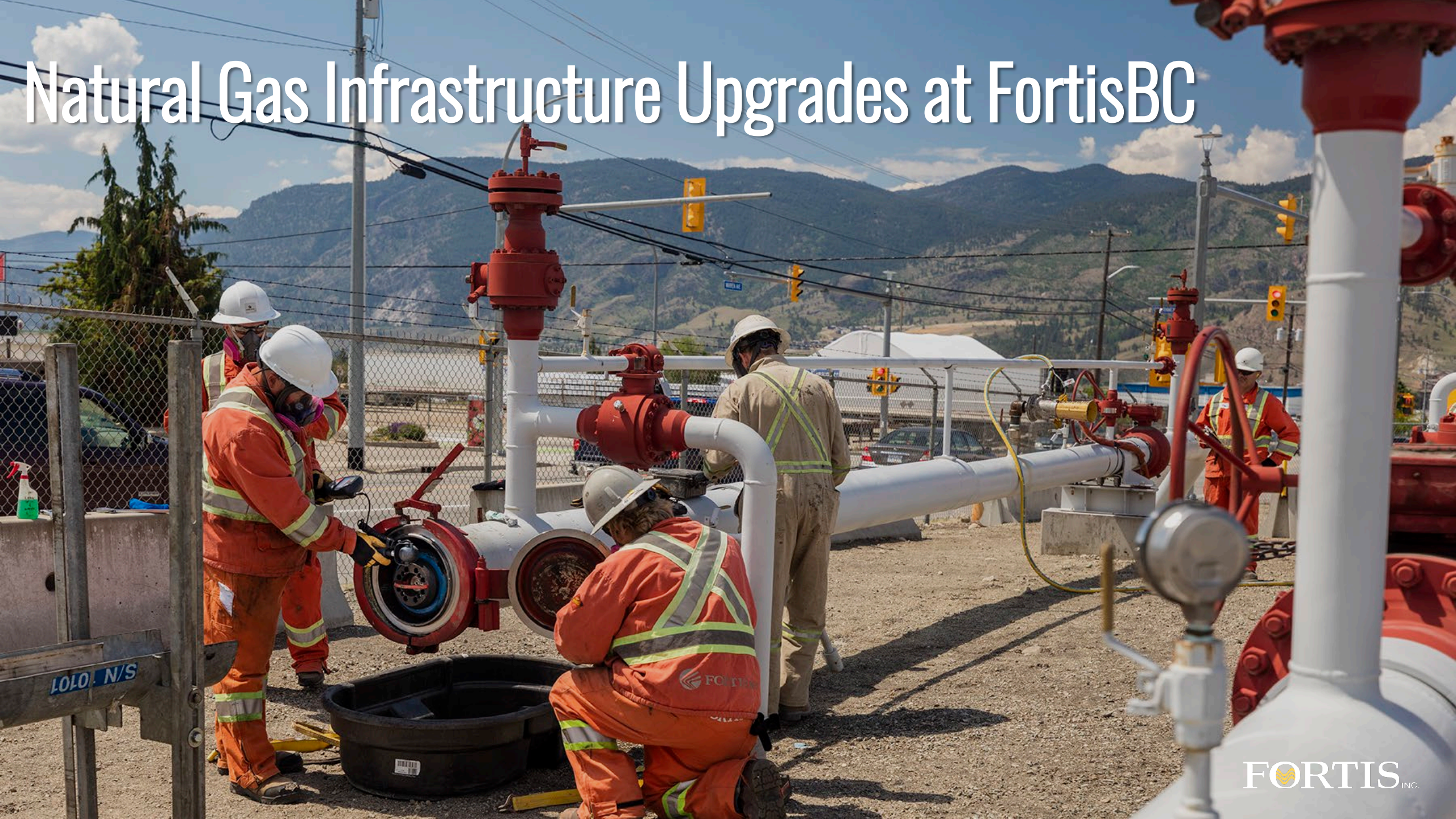
Improved Holdco Debt /  
Total Debt

<sup>1</sup> S&P ranks business risk profile as excellent and both DBRS and Moody's ranks it as strong.

<sup>2</sup> In March 2019, S&P affirmed the Corporation's credit rating. In 2018 the outlook was revised to negative from stable, due to modest temporary weakening of financial metrics as a result of U.S. Tax Reform, which reduces cash flow at the Corporation's U.S. utilities.



# Natural Gas Infrastructure Upgrades at FortisBC





# Wataynikaneyap Power Achieves Significant Milestones







# Ensuring A Strong, Reliable Grid at ITC

**FORTIS** INC.





# Tucson Electric Power Poised to Meet Ambitious Renewable Energy Targets



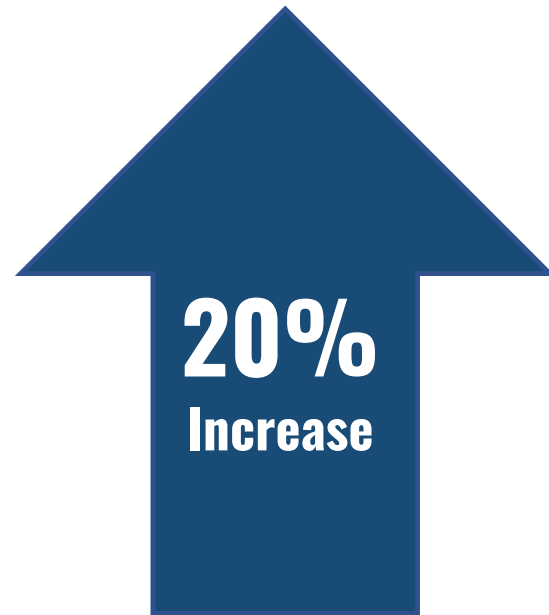


# SUSTAINABILITY

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FOCUSED ON EXECUTING THE FIVE-YEAR CAPITAL INVESTMENT PLAN

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**\$17.3  
Billion**

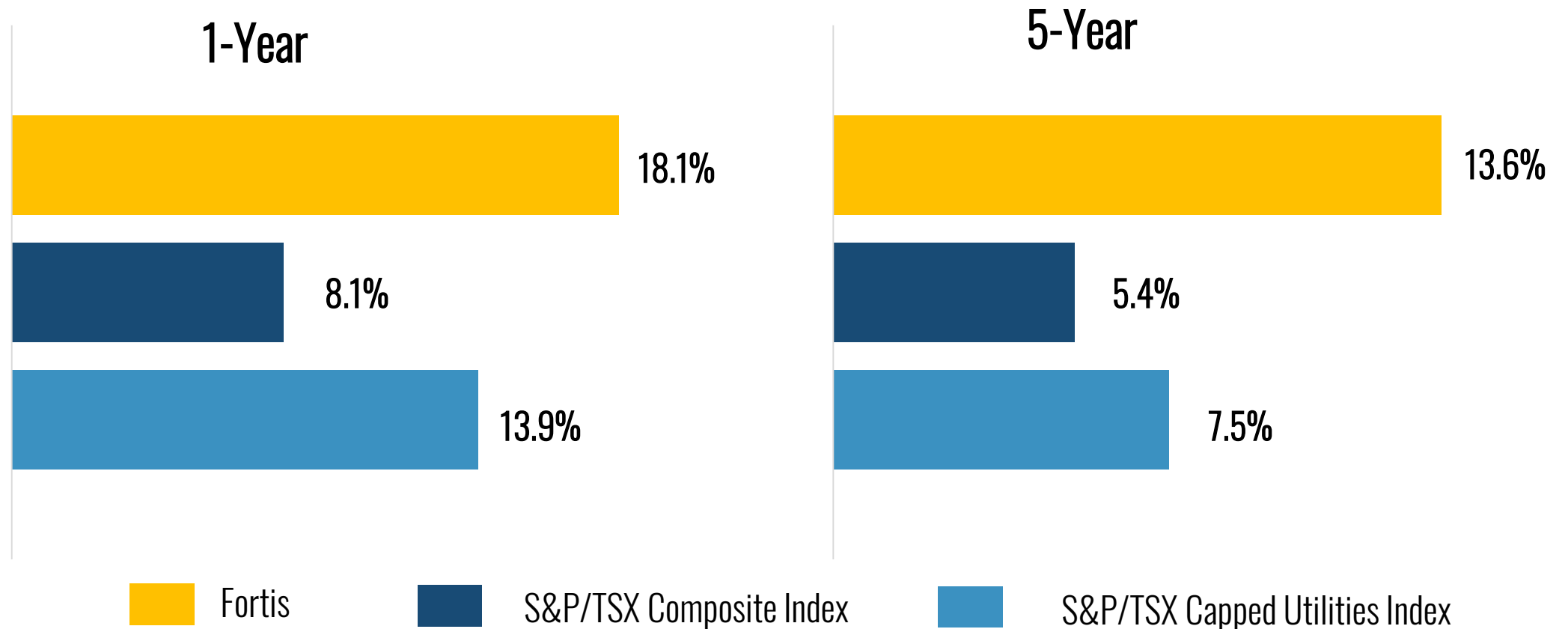
FIVE-YEAR  
CAPITAL INVESTMENT  
PLAN





Fortis Utilities Are Local Champions

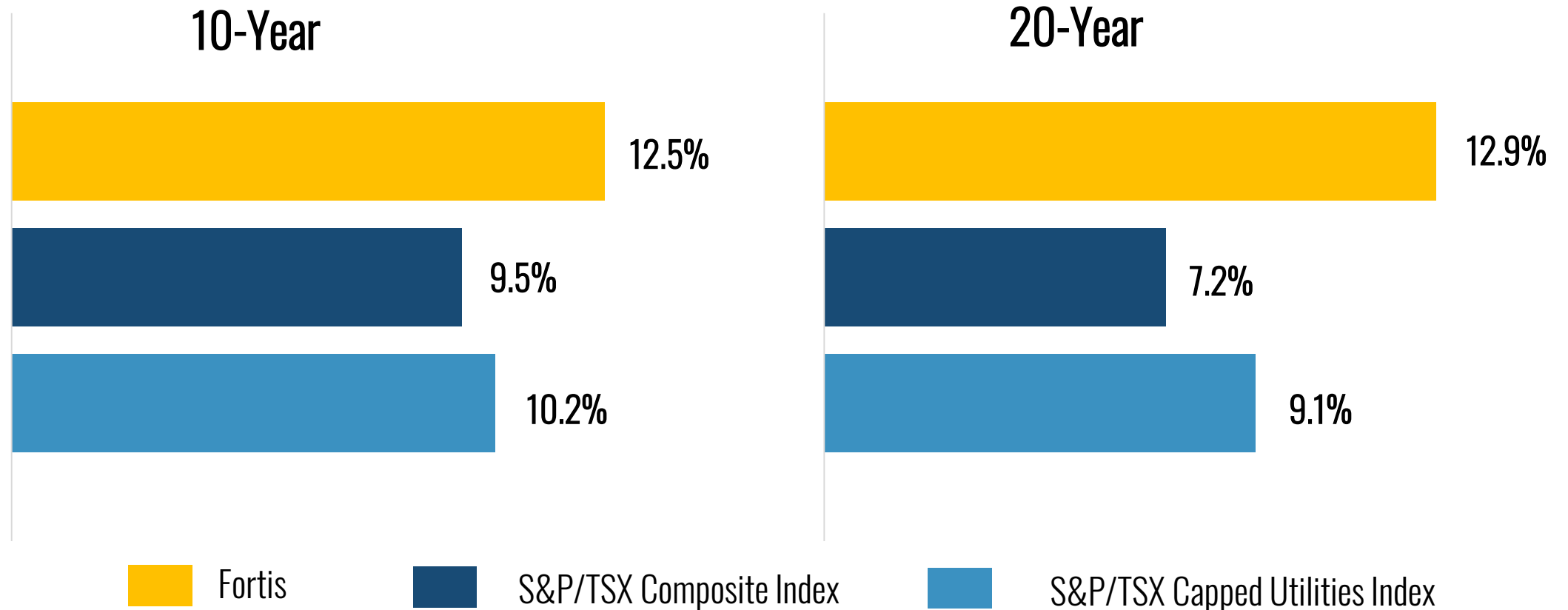
## AVERAGE ANNUALIZED TOTAL SHAREHOLDER RETURNS



Note: For the period ending March 31, 2019.



## AVERAGE ANNUALIZED TOTAL SHAREHOLDER RETURNS



Note: For the period ending March 31, 2019.



# THE POWER OF FOCUS







# Appendix



## QUARTERLY ADJUSTED EARNINGS RECONCILIATION

Non-US GAAP Reconciliation			
(\$millions, except as indicated)	Q1 2019	Q1 2018	Q1 2017
<b>Net Earnings Attributable to Common Equity Shareholders</b>	311	323	294
Adjusting Items:			
Unrealized loss (gain) on mark-to-market of derivatives <sup>(1)</sup>	5	4	(6)
Consolidated state income tax election <sup>(2)</sup>	-	(30)	-
Settlement of FERC-ordered transmission refunds <sup>(3)</sup>	-	-	(7)
<b>Adjusted Common Equity Earnings</b>	316	297	281
<b>Adjusted EPS (\$)</b>	\$0.74	\$0.70	\$0.69
<b>Weighted Average Shares (# millions)</b>	429.5	422.0	406.2

(1) Represents timing differences related to the accounting of natural gas derivatives at the Aitken Creek natural gas storage facility, included in the Energy Infrastructure segment

(2) Remeasurement of deferred income tax liabilities, included in the Corporate and Other segment

(3) Favourable settlement of matters at UNS Energy related to FERC ordered transmission refunds

## ANNUAL ADJUSTED EARNINGS RECONCILIATION

Non-US GAAP Reconciliation		
(\$millions, as indicated)	2018	2017
<b>Net Earnings Attributable to Common Equity Shareholders</b>	1,100	963
Adjusting Items:		
U.S. tax reform <sup>(1)</sup>	-	146
Unrealized loss (gain) on mark-to-market of derivatives <sup>(2)</sup>	10	(26)
Consolidated state income tax election <sup>(3)</sup>	(30)	-
Assets held for sale <sup>(3)</sup>	(14)	-
Acquisition break fee <sup>(4)</sup>	-	(24)
Unrealized foreign exchange gain <sup>(5)</sup>	-	(21)
FERC-ordered transmission refunds <sup>(6)</sup>	-	(11)
<b>Adjusted Common Equity Earnings</b>	1,066	1,027
<b>Adjusted EPS (\$)</b>	\$2.51	\$2.47
<b>Weighted Average Shares (# millions)</b>	424.7	415.5



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# ANNUAL ADJUSTED EARNINGS RECONCILIATION

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## Footnotes to Annual Adjusted Earnings Reconciliation

- (1) One-time remeasurement of deferred income tax assets and liabilities resulting from U.S. tax reform (ITC - \$91 million, UNS Energy - \$5 million, Central Hudson - \$2 million, and Corporate and Other - \$48 million)
- (2) Represents timing differences related to the accounting of natural gas derivatives at the Aitken Creek natural gas storage facility, included in the Energy Infrastructure segment
- (3) Remeasurement of deferred income tax liabilities, included in the Corporate and Other segment
- (4) Related to a terminated acquisition, included in the Corporate and Other segment
- (5) One-time foreign exchange gain on an affiliate loan, included in the Corporate and Other segment
- (6) Favorable settlement of matters at UNS Energy related to prior period FERC filings