



# Investor Relations Presentation April 2018

# Forward-Looking Information

## Forward-Looking Information

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: targeted average annual dividend growth through 2022; the potential impact of US tax reform on the Corporation's earnings per share, customer rates, rate base, interest deductibility, EBITDA and cash flows; the Corporation's forecast gross consolidated and segmented capital expenditures for the period 2018 through 2022; the nature, timing and expected costs of certain capital projects including, without limitation, the Wataynikaneyap Power Project, ITC Multi-Value Regional Transmission Projects and 34.6 to 69 kV Conversion Project, UNS Energy flexible generation reciprocating engines investment and Gila River Generating Station Unit 2, FortisBC Lower Mainland System Upgrade, Eagle Mountain Woodfibre Gas Pipeline Project and Pipeline Integrity Management Program and additional opportunities beyond the base capital plan; the expected timing of filing of regulatory applications and receipt and outcome of regulatory decisions; the Corporation's forecast consolidated and segmented rate base for 2018; and emission reduction targets at Tucson Electric Power.

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, but are not limited to: uncertainty regarding the outcome of regulatory proceedings of the Corporation's utilities and the expectation of regulatory stability; no material capital project and financing cost overrun related to any of the Corporation's capital projects; sufficient human resources to deliver service and execute the capital program; the Board of Directors exercising its discretion to declare dividends, taking into account the business performance and financial conditions of the Corporation; risk associated with the impact of less favorable economic conditions on the Corporation's results of operations; no significant changes in laws and regulations that may materially negatively affect the Corporation and its subsidiaries; and currency exchange rates. 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.**

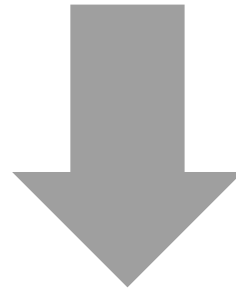
# Our Strategy – Simple, Effective, Proven

## *Strategy*

*Leverage the operating model, footprint of our utilities, operating expertise, reputation and financial strength to develop growth opportunities*



Dividend Growth Target:  
6% Average Annual  
Growth Through 2022



Investment-Grade  
Credit Ratings

## *Strategic Initiatives*

Execute  
Utility  
CAPEX Plan

ITC  
Transmission  
Growth

Deliver  
Cleaner  
Energy

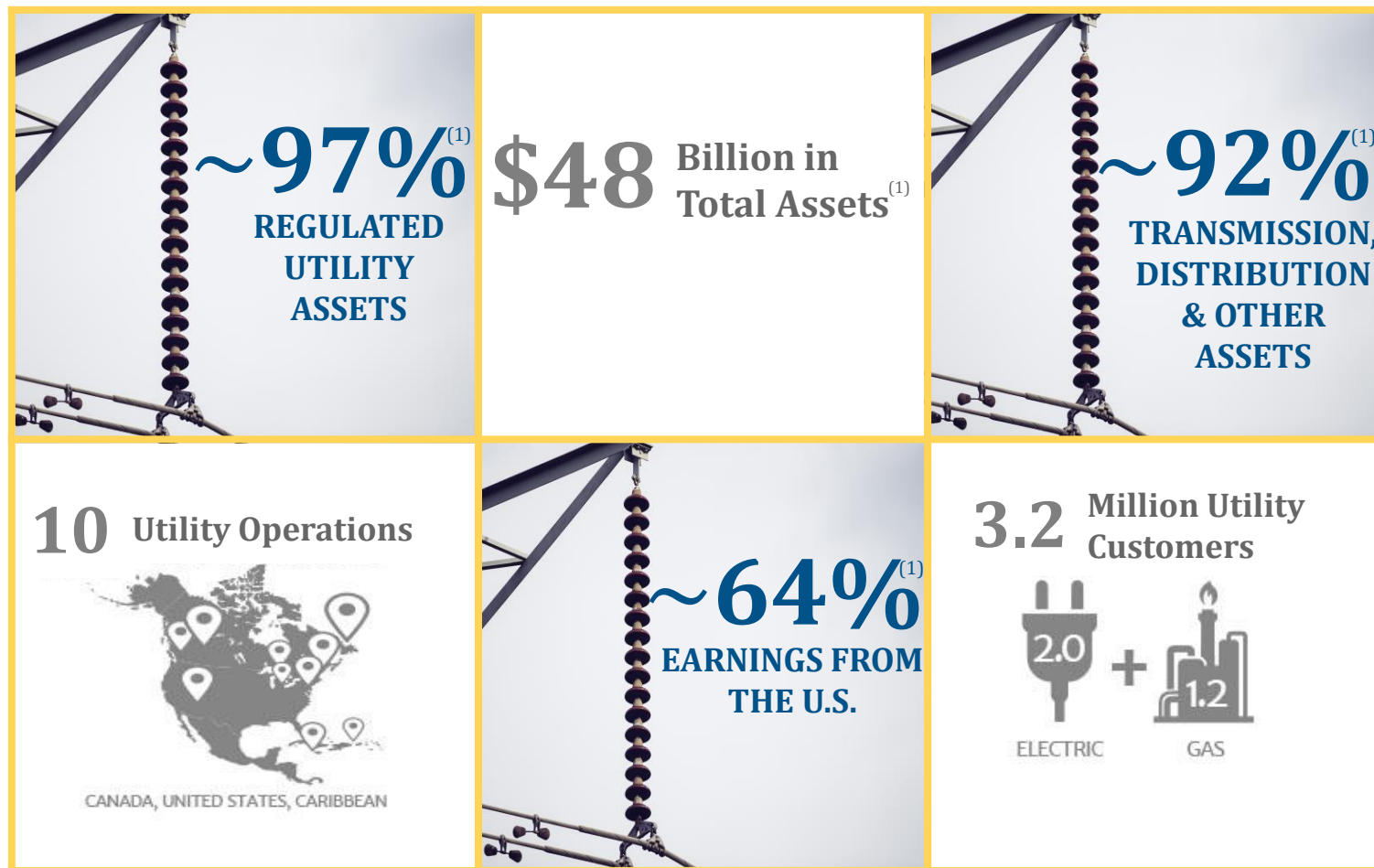
Enhance  
Customer &  
Regulatory  
Relationships

Unlock LNG  
Value

Pursue Energy  
Infrastructure  
in and Near  
Existing Service  
Territories

# High Quality & Diverse Utility Portfolio

Highly regulated, predominantly wires and gas LDCs

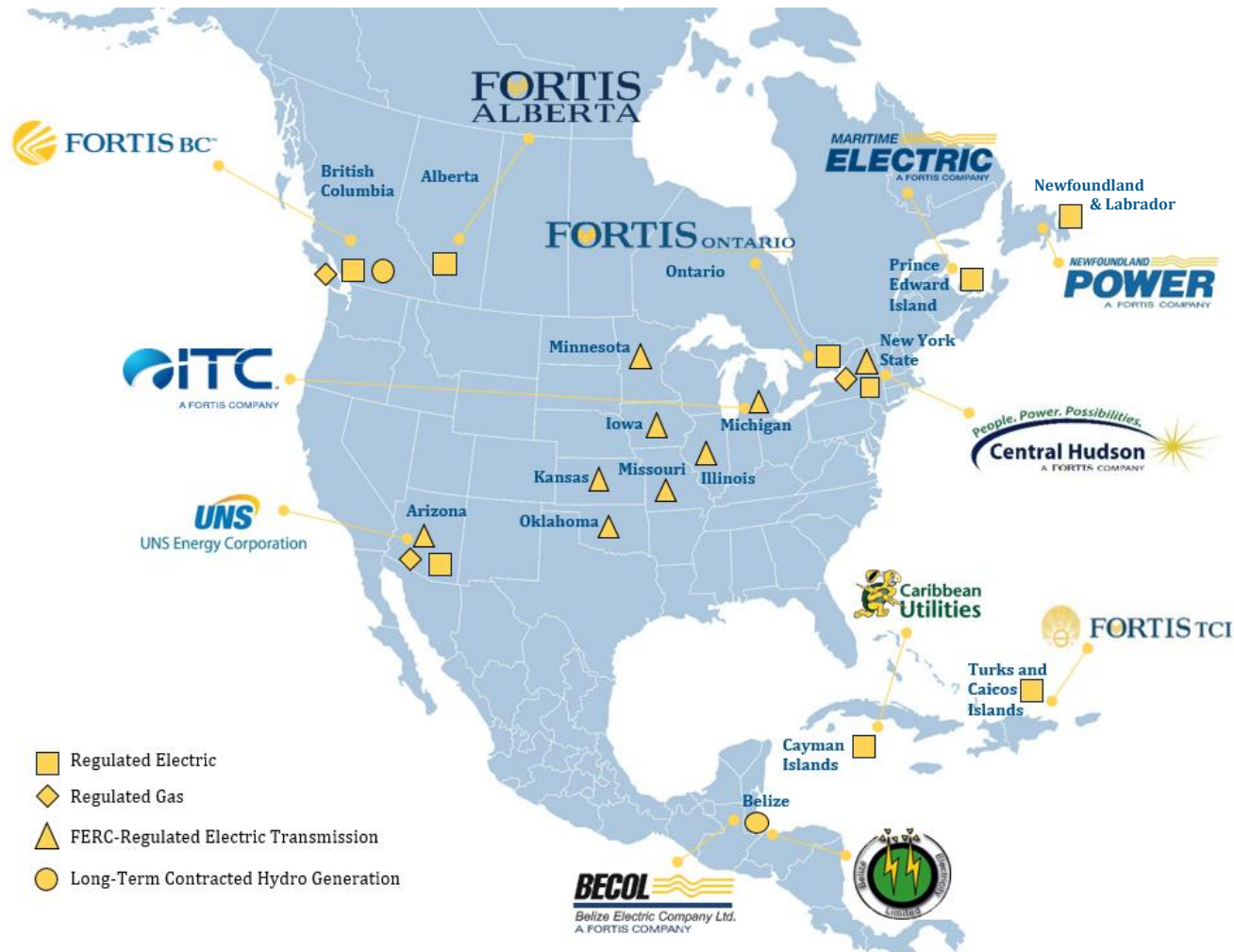


(1) As at December 31, 2017.



# High Quality & Diverse Utility Portfolio

One of the lowest-risk utility businesses in North America




# Executed Well in 2017


Reinforcing the Strength of Fortis as a North American Utility Leader




Successful integration of ITC



Constructive rate case settlement in Arizona



Safe and timely restoration of electricity on Turks and Caicos following Hurricane Irma



Exceeded \$1B in adjusted earnings



**6.25%**

*Dividend Increase in Q4 '17*

**\$3.0B**

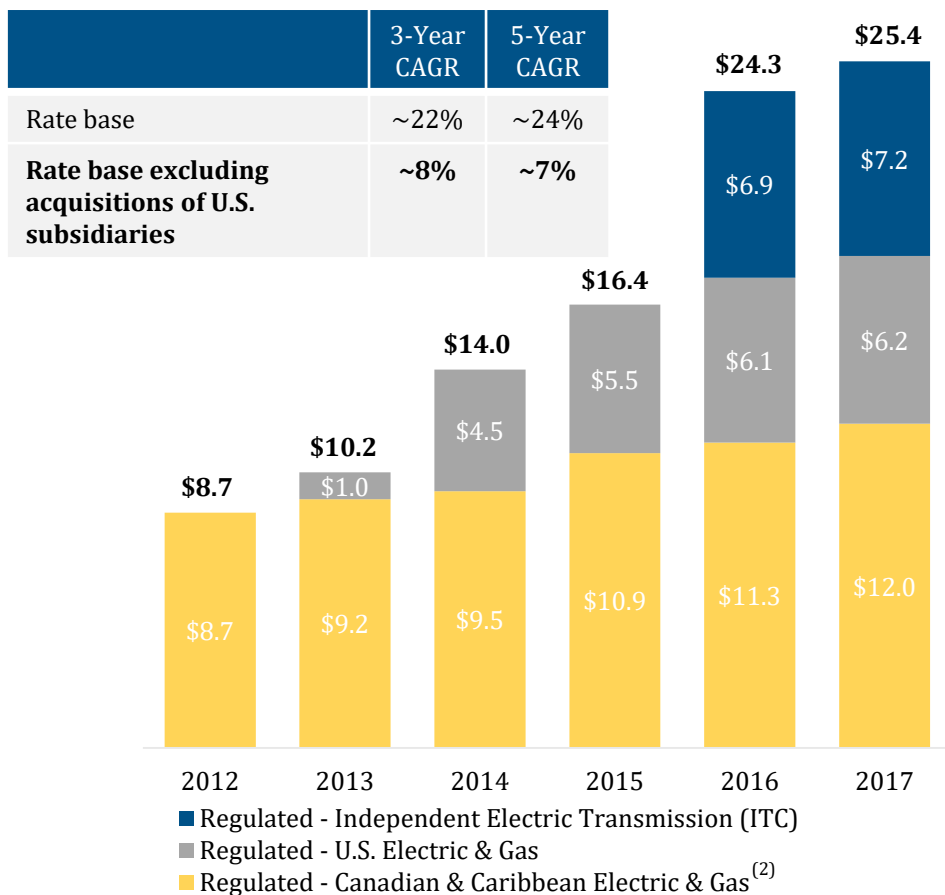
*2017 Capital Expenditures*

# Strong Track Record of Rate Base and EPS Growth

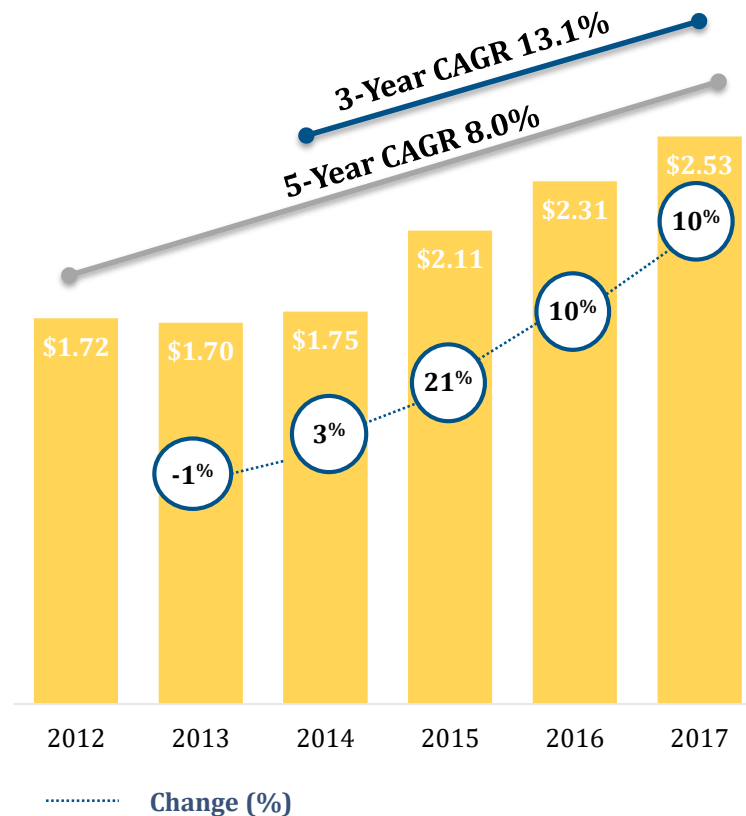
Historical Rate Base Growth Aligned with EPS Growth Over the Past 5 Years

## 2012 – 2017 Rate Base

(\$ billions)<sup>(1)</sup>



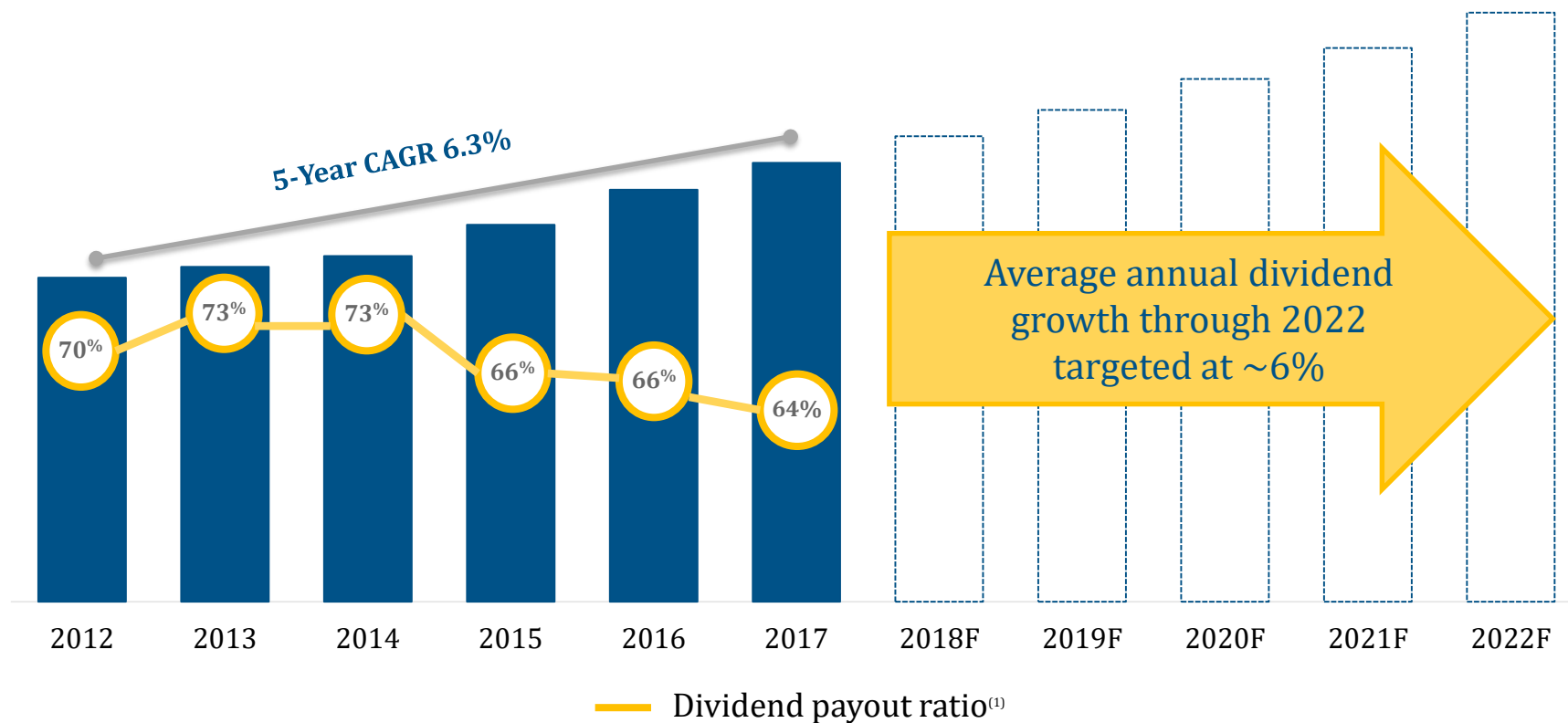
## Adjusted Earnings Per Share



(1) US dollar-denominated rate base converted at the historical USD/CAD exchange rates as reported in the respective filed annual reports.

(2) Includes 100% of the Waneta Expansion, of which Fortis has a 51% controlling ownership interest.

# 44 Years of Consecutive Annual Dividend Growth

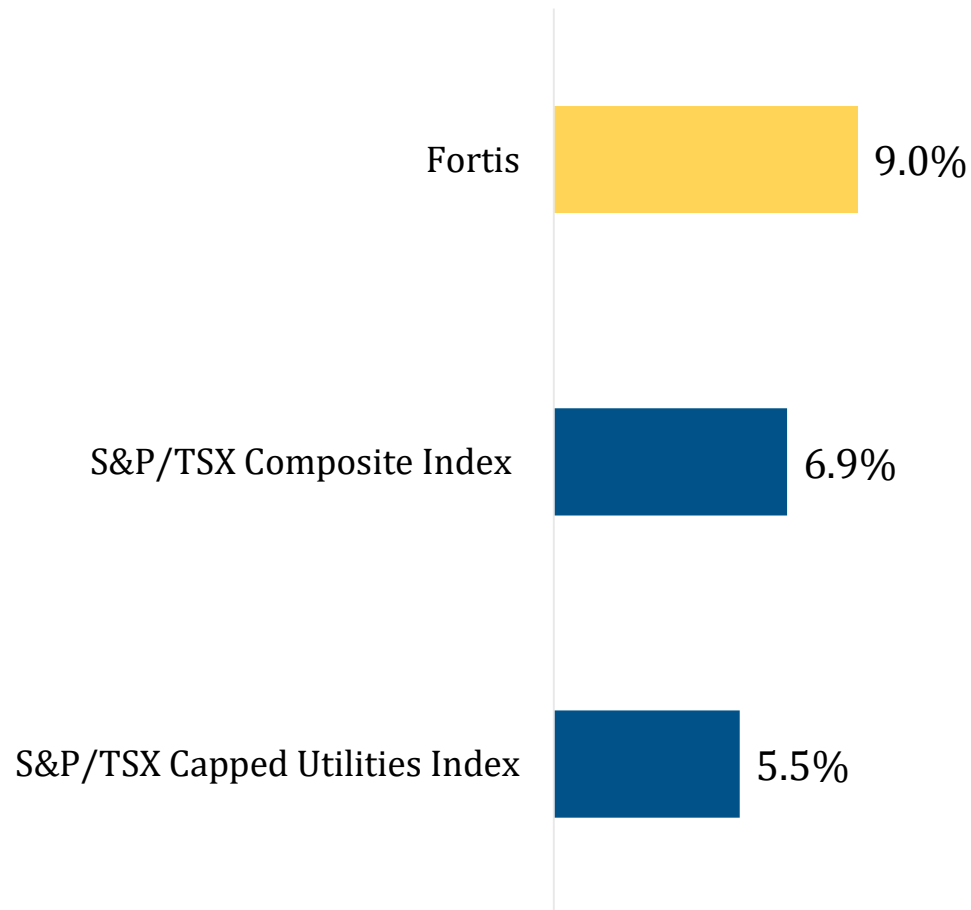


(1) Dividend payout ratio adjusted for non-operating items.



# Supporting the Delivery of Superior Total Shareholder Returns

- Average annualized total shareholder return over last 5 years<sup>(1)</sup>



(1) For the 5-year period ending March 31, 2018.

# U.S. Tax Reform Benefits Customers Immediately and Shareholders Over the Long Term

## Lower Corporate Tax Rate (From 35% to 21%)

- One-time remeasurement of deferred tax assets resulted in non-cash write down of \$146M in 2017
- Expected to lower EPS by ~3% resulting from interest deduction at lower tax rate
- Provides opportunity to reduce customer rates

## Bonus Depreciation Exemption

- Regulated utilities exempt from the immediate expensing of capital investments
- Positive for rate base growth

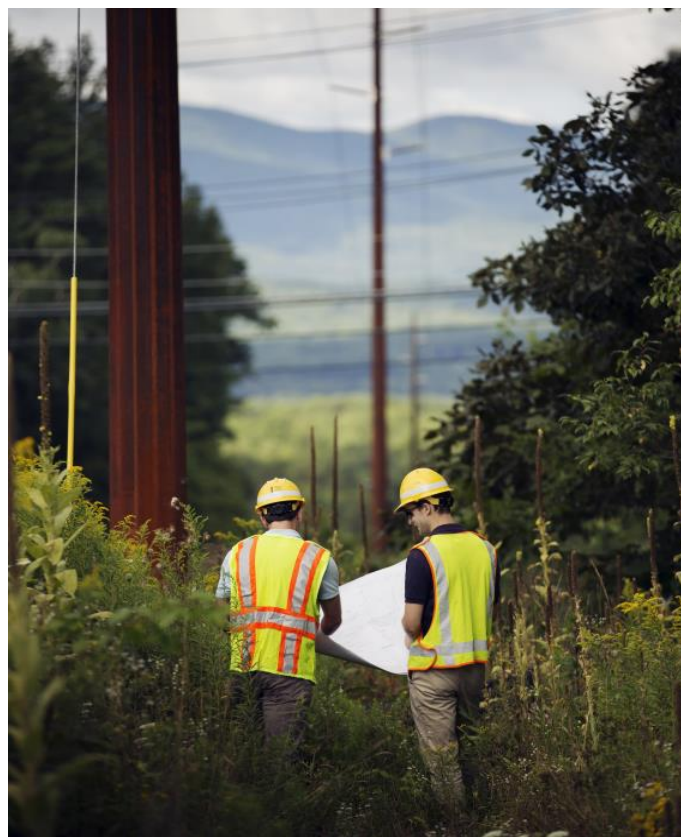
## Interest Expense Deductibility Preserved

- Fortis view: U.S. utility business maintains interest deductibility
- Fortis U.S. interest expense within 30% EBITDA cap

# U.S. Tax Reform Affects Near-Term Cash Flow

## U.S. Tax Reform Cash Flow Impacts

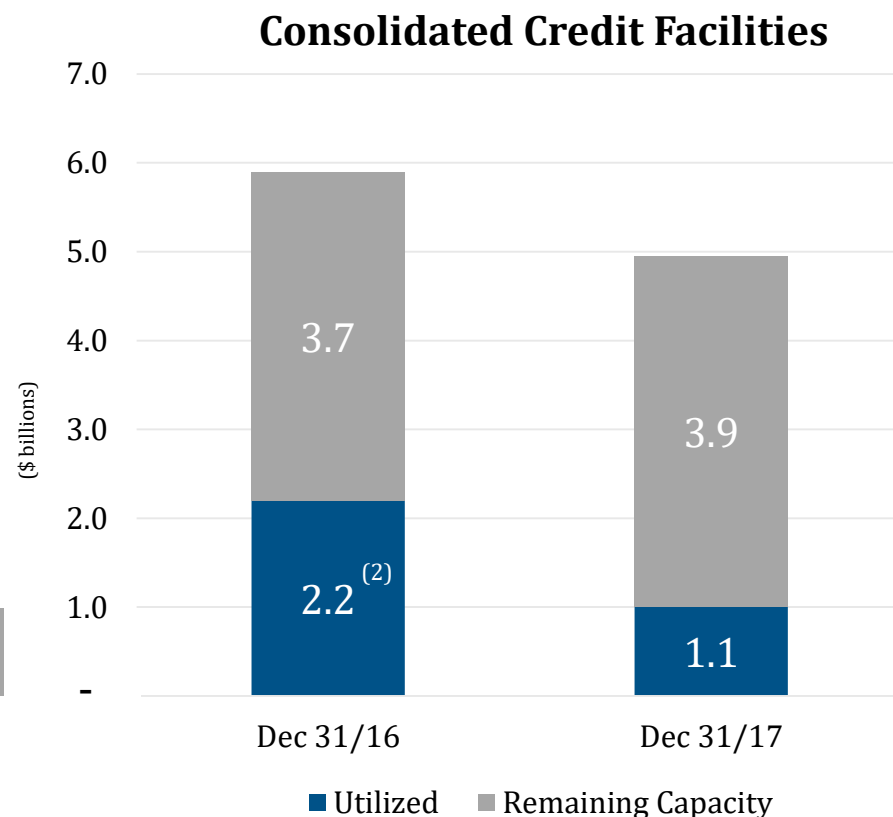
- Provides opportunity to reduce customer rates at ITC, UNS Energy and Central Hudson
- Lower corporate tax rate reduces cash from operations from U.S. utilities in the near-term
- Provides opportunity to invest further to deliver safe and reliable energy
- Committed to preserving our investment-grade credit ratings



# Investment-Grade Credit Ratings and Ample Liquidity

## Credit Ratings

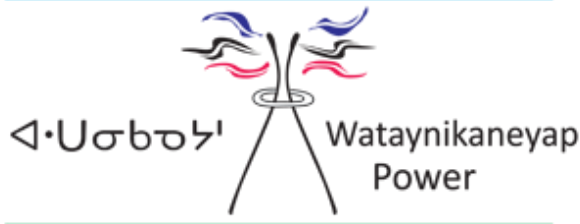
Fortis Inc.	
S&P <sup>(1)</sup>	A- / BBB+
DBRS	BBB (high)
Moody's	Baa3



- (1) In March 2018, S&P affirmed the Corporation's credit ratings. The outlook was revised to negative from stable, due to modest weakening of financial measures as a result of U.S. tax reform, which reduces cash flow at the Corporation's U.S. utilities.
- (2) Included \$500 million non-revolving term senior unsecured equity bridge credit facility used to finance a portion of the cash purchase price of the acquisition of ITC. The facility was repaid in March 2017.

# Advancing the Wataynikaneyap Power Project

Canada's largest First Nation's-led infrastructure Project



**FORTIS** ONTARIO

## Wataynikaneyap Power Project

- Partnership with First Nations to connect remote communities in Northern Ontario to the grid via 1,800 km of transmission line
- Funding framework reached with Wataynikaneyap Power, the Government of Canada and the Government of Ontario in March 2018 to fund the project
- Estimated total capital project cost of \$1.6B and Fortis has a 49% ownership interest
- Fortis has revised its capital forecast to include ~\$600M of capital expenditures<sup>(1)</sup> in the 2019-2022 plan. The remaining portion to be forecast in 2023.
- Remaining Milestones
  - Obtain Leave to Construct from the OEB, which is expected in early 2019
  - Completion of environmental assessments
  - Construction to begin once final approvals and receipt of permits are complete
  - Phase 1 construction completion targeted by the end of 2020 and Phase 2 targeted by the end of 2023

(1) The increase in capital forecast reflects Fortis' effective 49% of the estimated capital spending for the Wataynikaneyap Power Project. Under the funding framework, Fortis will be funding its equity component only.



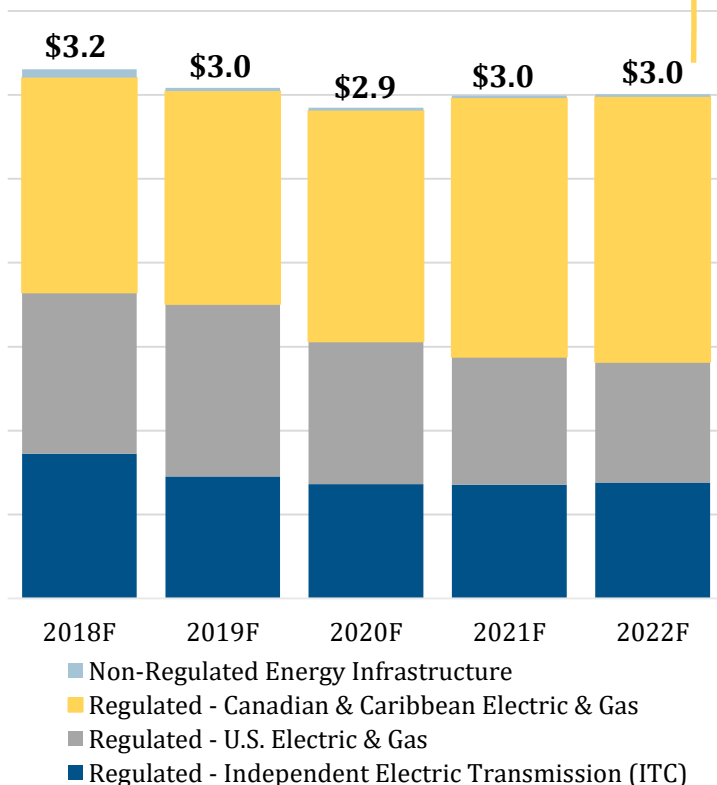
# Capital Expenditure Program Increases \$600M to \$15.1B

## Tax Reform Impacts and Wataynikaneyap Project Increases Rate Base to \$33B by 2022

### Capital Expenditures<sup>(1)</sup>

(billions)

**\$15.1 Five-Year Capital Plan**

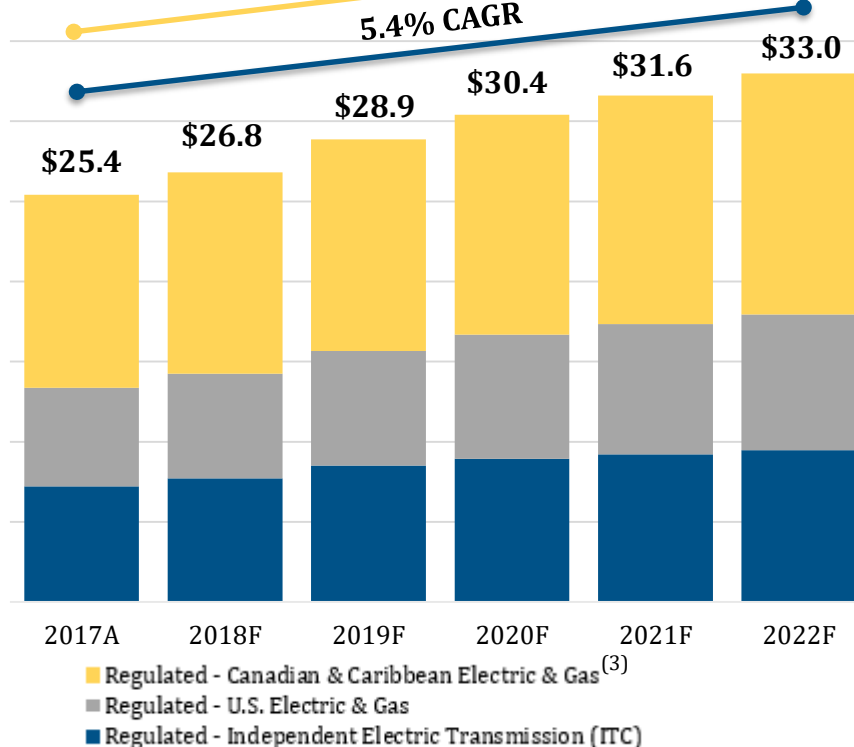


### Rate Base<sup>(2)</sup>

(billions)

6.2% CAGR

5.4% CAGR



(1) US dollar denominated capital expenditures are translated at a forecast USD/CAD foreign exchange rate of \$1.28.

(2) US dollar-denominated rate base for 2017 is based on the actual average USD/CAD foreign exchange rate of \$1.30 and forecast rate base for 2018 to 2022 is based on \$1.28. Holding foreign exchange constant, rate base CAGR would be 5.5% for 5-year CAGR and 6.5% for 3-year CAGR.

(3) Includes 100% of the Waneta Expansion, of which Fortis has a 51% controlling ownership interest and Fortis' effective 49% of the rate base of the Wataynikaneyap Power Project.

# Highly-Executable Capital Plan

2018-2022 Capital Expenditure Program Increases \$600 Million to ~\$15.1 Billion

Significant Projects <sup>(1)</sup> (\$millions) <sup>(2)</sup>	Forecast 2018	Forecast 2019-2022	Forecast Total 2018-2022
ITC Multi-Value Regional Transmission Projects <sup>(3)</sup>	169	194	363
ITC 34.5 kV to 69 kV Conversion Project	111	369	480
UNS Flexible Generation – Reciprocating Engines	150	45	195
UNS Gila River Generating Station Unit 2	-	211	211
FortisBC Lower Mainland System Upgrade	177	55	232
FortisBC Eagle Mountain Woodfibre Gas Pipeline Project	-	350	350
FortisBC Pipeline Integrity Management Program	-	312	312
Wataynikaneyap Transmission Power Project <sup>(4)</sup>	-	631	631

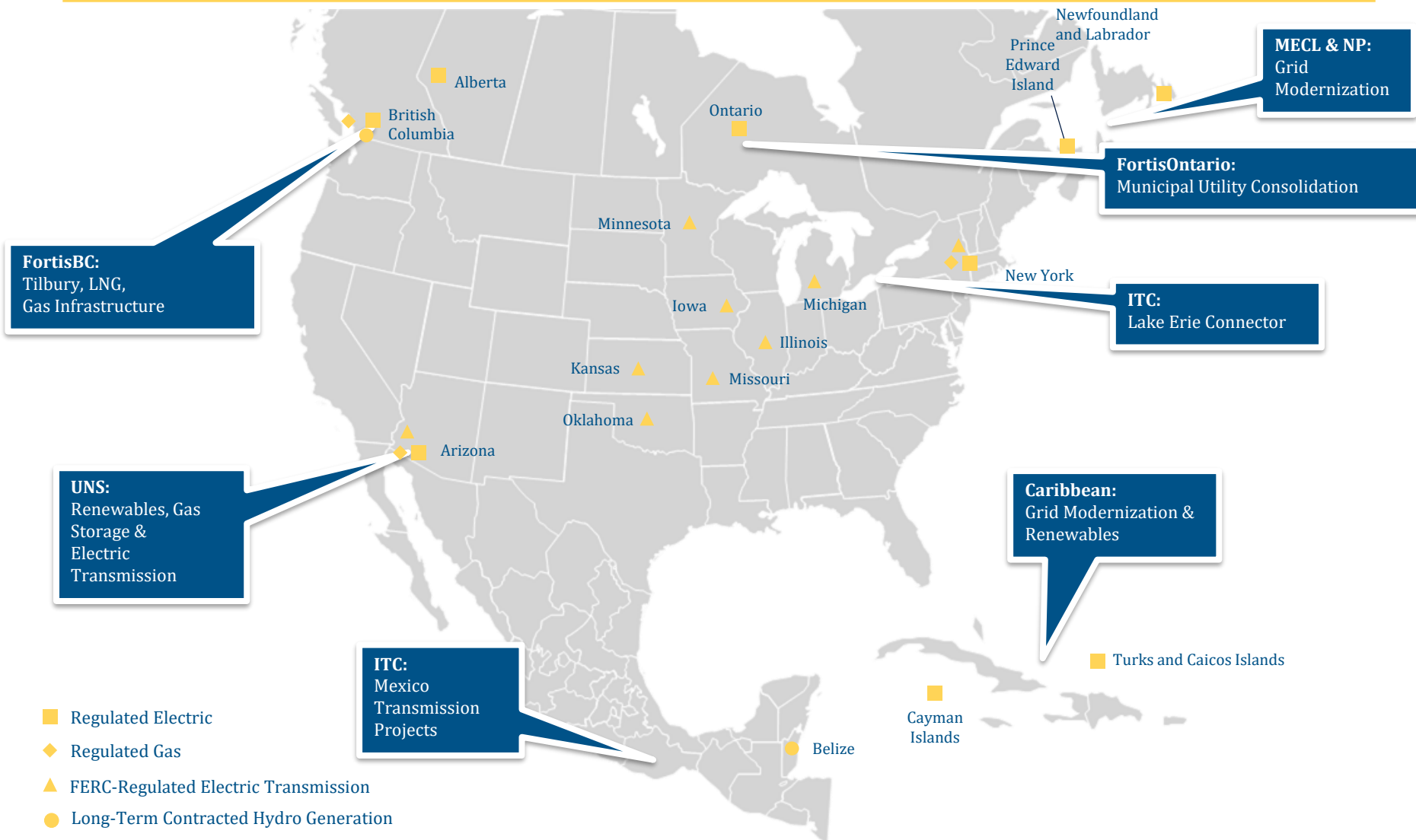
(1) Major capital projects are identified as those with a total project cost of \$150 million or greater and exclude ongoing capital maintenance projects. Total project costs include forecasted capitalized interest and non-cash equity component of allowance for funds used during construction, where applicable.

(2) US dollar denominated capital expenditures are translated at a forecast USD/CAD foreign exchange rate of \$1.28.

(3) Consists of four regional electric transmission projects that have been identified by MISO to address system capacity needs and reliability in several states.

(4) Capital spending represents Fortis' effective 49% of the estimated capital spending for the Wataynikaneyap Power Project. Under the funding framework, Fortis will be funding its equity component only.

# Opportunities Beyond the Base Capital Plan

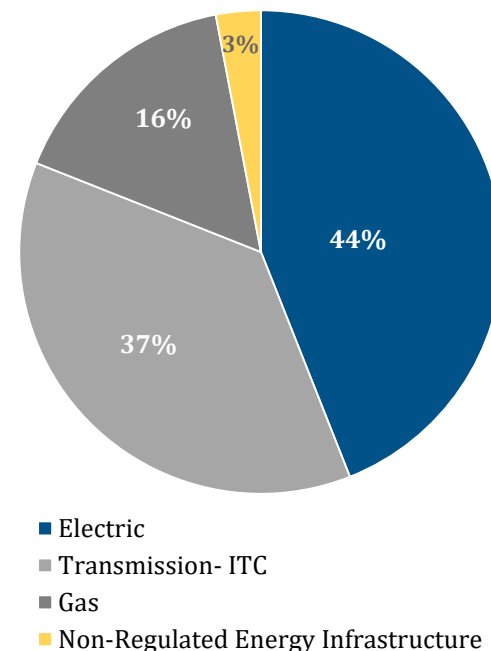


# Regulatory Stability Supports Regulated Asset Base

## Remaining Significant Regulatory Decisions

Regulated Utility	Application/Proceeding	Filing Date	Expected Decision
ITC	MISO Base ROE	Not applicable	To be determined
Central Hudson	General Rate Application	July 2017	August 2018

## 97% Regulated Utility Assets as at December 31, 2017



2018	
<b>Weighted Average</b>	
Allowed ROE	9.74%
Actual Equity Thickness	48.1%

# Our Strategy – Simple, Effective, Proven

## *Strategy*

*Leverage the operating model, footprint of our utilities, operating expertise, reputation and financial strength to develop growth opportunities*



Dividend Growth Target:  
6% Average Annual  
Growth Through 2022



Investment-Grade  
Credit Ratings

## *Strategic Initiatives*

Execute  
Utility  
CAPEX Plan

ITC  
Transmission  
Growth

Deliver  
Cleaner  
Energy

Enhance  
Customer &  
Regulatory  
Relationships

Unlock LNG  
Value

Pursue Energy  
Infrastructure  
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Existing Service  
Territories





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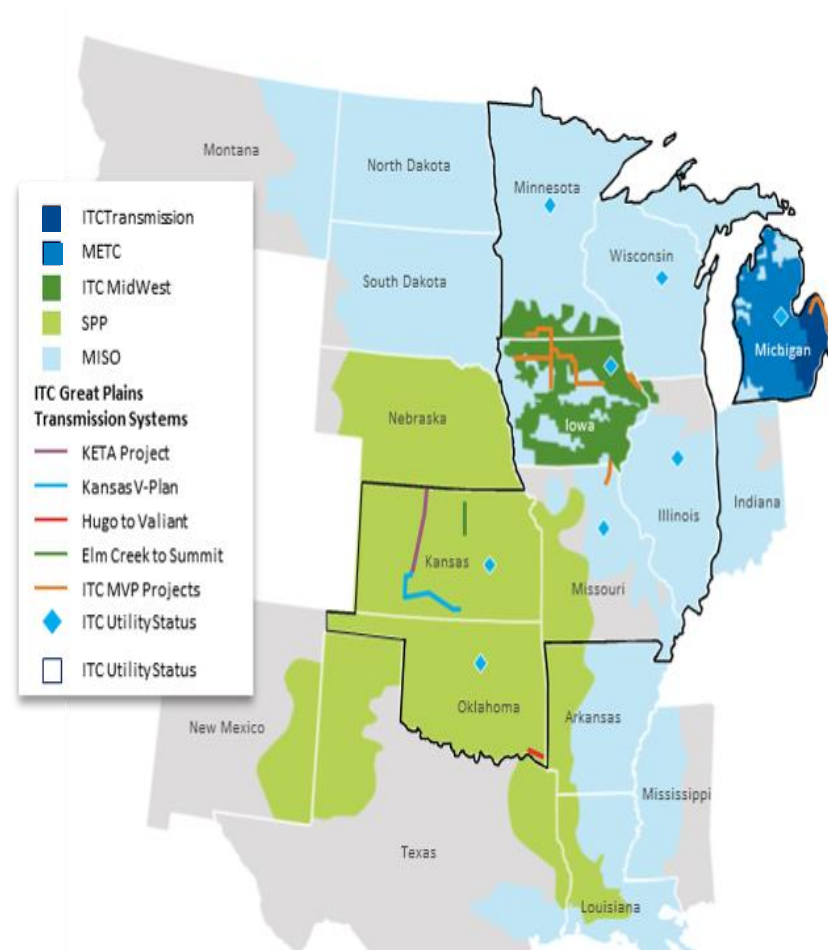
Type of utility	Transmission
Regulator	FERC
Regulatory model	Independent Transmission Company
2018 Formula	11.32-12.16% ROE on 60% equity
2017 Midyear Rate Base	\$7.2B
5-Year CAGR on Midyear Rate Base <sup>(1)</sup>	5.6%
2017 Assets % of total regulated assets <sup>(2)</sup>	38%
2017 Earnings <sup>(3)</sup>	\$272M
2017 Earnings % of total regulated earnings	26%
Major Capital Projects	Multi-Value Regional Transmission Projects (“MVPs”) and 34.5 to 69 kilovolt Conversion Project
Development Opportunities <sup>(4)</sup>	Lake Erie Connector and Mexico Transmission Projects
Pending Regulatory Decisions	MISO Base ROE

(1) 5-Year CAGR on midyear rate base includes 2017 actuals to 2022 forecast.

(2) Includes goodwill.

(3) Represents the Corporation’s 80.1% controlling interest in ITC.

(4) Development opportunities are not included in the base capital forecast and would represent incremental capital spending.





# UNS Energy Corporation

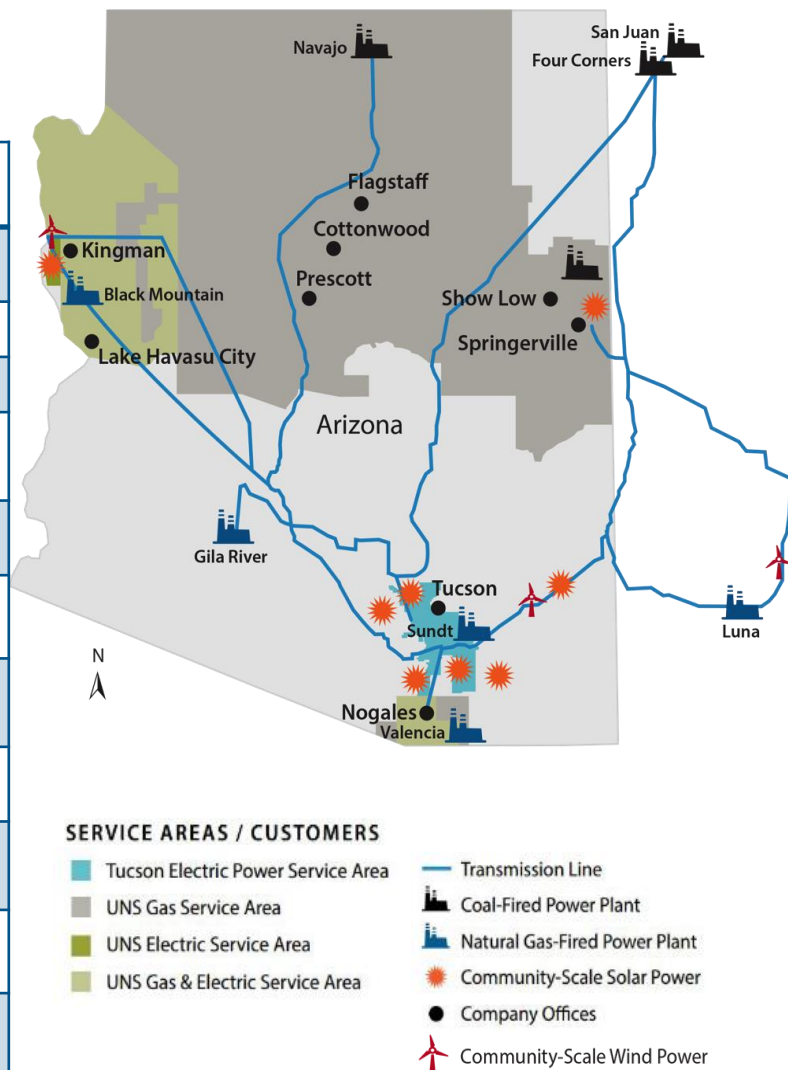
A Fortis Company

	Tucson Electric	UNS Electric	UNS Gas
Type of utility	Electricity		Gas distribution
Regulator	Arizona Corporation Commission		
Regulatory model	Cost of service/Historical Test Year		
2018 Formula	9.75% ROE on 50% equity	9.5% ROE on 52.83% equity	9.75% ROE on 50.8% equity
2017 Midyear Rate Base	\$4.6B		
5-Year CAGR on Midyear Rate Base <sup>(1)</sup>	5.5%		
2017 Assets % of total regulated assets <sup>(2)</sup>	19%		
2017 Earnings	\$270M		
2017 Earnings % of total regulated earnings	26%		
Major Capital Projects	Flexible Generation Resource and Modern, Efficient Baseload Combined Cycle Generation		
Development Opportunities <sup>(3)</sup>	Renewables, Transmission Investments, Grid Modernization & Infrastructure Resiliency		

(1) 5-Year CAGR on midyear rate base includes 2017 actuals to 2022 forecast.

(2) Includes goodwill.

(3) Development opportunities are not included in the base capital forecast and would represent incremental capital spending.



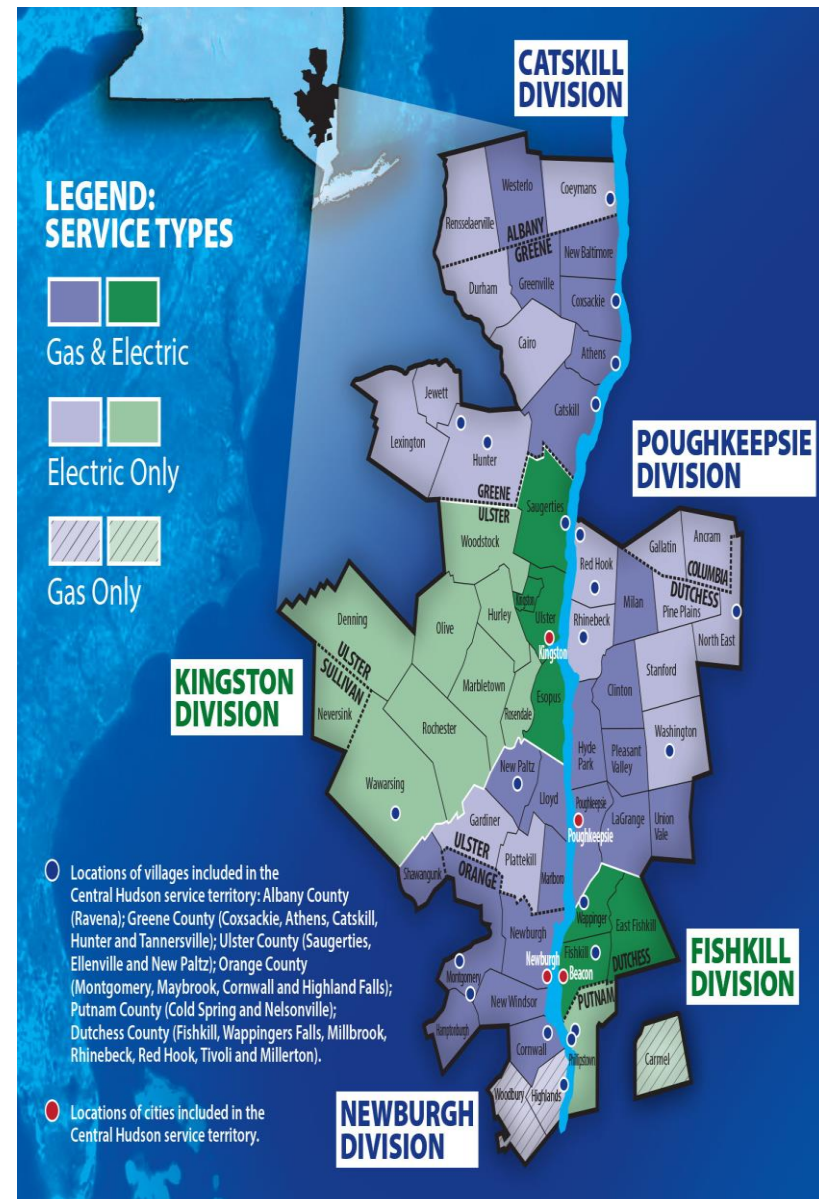


Type of utility	Gas and electricity
Regulator	NY State Public Service Commission
Regulatory model	Cost of service on future test year
2018 Formula	9% ROE on 48% equity
2017 Midyear Rate Base	\$1.6B
5-Year CAGR on Midyear Rate Base <sup>(1)</sup>	9.7%
2017 Assets % of total regulated assets <sup>(2)</sup>	7%
2017 Earnings	\$70M
2017 Earnings % of total regulated earnings	7%
Major Capital Projects	Gas Main Replacement Program
Development Opportunities <sup>(3)</sup>	Transmission Investments

(1) 5-Year CAGR on midyear rate base includes 2017 actuals to 2022 forecast.

(2) Includes goodwill.

(3) Development opportunities are not included in the base capital forecast and would represent incremental capital spending.



	FortisBC Gas	FortisBC Electric
<b>Type of utility</b>	Gas distribution	Electricity
<b>Regulator</b>	BC Utilities Commission	
<b>Regulatory model</b>	Cost of service + PBR	
<b>2018 Formula</b>	8.75% ROE on 38.5% equity	9.15% ROE on 40.0% equity
<b>2017 Midyear Rate Base</b>	\$4.1B	\$1.3B
<b>5-Year CAGR on Midyear Rate Base <sup>(1)</sup></b>	3.8%	2.6%
<b>2017 Assets % of total regulated assets <sup>(2)</sup></b>	14%	5%
<b>2017 Earnings</b>	\$154M	\$55M
<b>2017 Earnings % of total regulated earnings</b>	15%	5%
<b>Major Capital Projects</b>	Lower Mainland System Upgrade, Pipeline Integrity Management Program and Eagle Mountain Woodfibre Gas Pipeline Project	N/A
<b>Development Opportunities <sup>(3)</sup></b>	Tilbury further expansion and additional gas infrastructure opportunities	N/A

(1) 5-Year CAGR on midyear rate base includes 2017 actuals to 2022 forecast.

(2) Includes goodwill.

(3) Development opportunities are not included in the base capital forecast and would represent incremental capital spending.



Type of utility	Electricity distribution
Regulator	Alberta Utilities Commission
Regulatory model	PBR
2018 Formula <sup>(1)</sup>	8.5% ROE on 37% equity
2017 Midyear Rate Base	\$3.1B
5-Year CAGR on Midyear Rate Base <sup>(2)</sup>	5.7%
2017 Assets % of total regulated assets <sup>(3)</sup>	10%
2017 Earnings	\$120M
2017 Earnings % of total regulated earnings	12%
Major Capital Projects	Pole-Management Program
Development Opportunities <sup>(4)</sup>	Renewables, Distribution System Investments, Changing Customer Expectations
Pending Regulatory Decisions	Generic Cost of Capital Proceeding






(1) The 2018 formula is subject to the current General Cost of Capital proceeding, where a decision on ROE and equity thickness is expected in Q3 2018.

(2) 5-Year CAGR on midyear rate base includes 2017 actuals to 2022 forecast.

(2) Includes goodwill.

(3) Development opportunities are not included in the base capital forecast and would represent incremental capital spending.

# Eastern Canadian Regulated Electric Utilities

	 <sup>(1)</sup>	 A FORTIS COMPANY	 A FORTIS COMPANY
<b>Type of utility</b>	Electricity		
<b>Regulator</b>	Ontario Energy Board	Island Regulatory and Appeals Commission	Newfoundland and Labrador Board of Commissioners of Public Utilities
<b>Regulatory model</b>	Cost of service with incentives	Cost of service on future test year	Cost of service on future test year
<b>2018 Formula</b>	8.93% - 9.30% ROE on 40% equity <sup>(2)</sup>	9.35% ROE on 40% equity	8.50% ROE +/- 50 bp on 45% equity
<b>2017 Midyear Rate Base</b>	\$0.3B	\$0.3B	\$1.1B
<b>5-Year CAGR on Midyear Rate Base</b> <sup>(3)</sup>	28.4%	2.4%	2.2%
<b>2017 Assets % of total regulated assets</b> <sup>(4)</sup>	1%	1%	3%
<b>2017 Earnings</b>	\$10M	\$13M	\$41M
<b>2017 Earnings % of total regulated earnings</b>	1%	1%	4%
<b>Development Opportunities</b> <sup>(5)</sup>	Municipal Utility Consolidation	Grid Modernization	

(1) Includes Canadian Niagara Power, Cornwall Electric, Algoma Power and a 49% regulated non-controlling equity interest in the Wataynikaneyap Power Project.



(2) Allowed ROE shown is for Algoma Power. Cornwall Electric operates under a franchise agreement with a price-cap and commodity cost flow through and, therefore, is not regulated with reference to an allowed ROE. The allowed ROE for Canadian Niagara Power is 8.78% for 2018.

(3) 5-Year CAGR on midyear rate base includes 2017 actuals to 2022 forecast, including Fortis' effective 49% of the rate base of the Wataynikaneyap Power Project.

(4) Includes goodwill.

(5) Development opportunities are not included in the base capital forecast and would represent incremental capital spending.

# Caribbean Regulated Electric Utilities

	 <b>Caribbean<sup>(1)</sup> Utilities</b>	 <b>FORTIS TCI</b>
<b>Type of utility</b>	Electricity	Electricity
<b>Regulator</b>	Electricity Regulatory Authority	Government of the Turks and Caicos Islands
<b>Regulatory model</b>	Cost of service with historical test year	Cost of service with historical test year
<b>2018 Formula</b>	6.75-8.75% Return on Assets	15-17.50% Return on Assets
<b>2017 Midyear Rate Base</b>	\$0.6B	\$0.4B
<b>5-Year CAGR on Midyear Rate Base <sup>(2)</sup></b>	2.9%	6.1%
<b>2017 Assets % of total regulated assets <sup>(3)</sup></b>	2%	1%
<b>2017 Earnings <sup>(4)</sup></b>	\$18M	\$11M
<b>2017 Earnings % of total regulated earnings</b>	2%	1%

(1) Fortis has an approximate 60% controlling interest in Caribbean Utilities Company, Ltd.

(2) 5-Year CAGR on midyear rate base includes 2017 actuals to 2022 forecast.

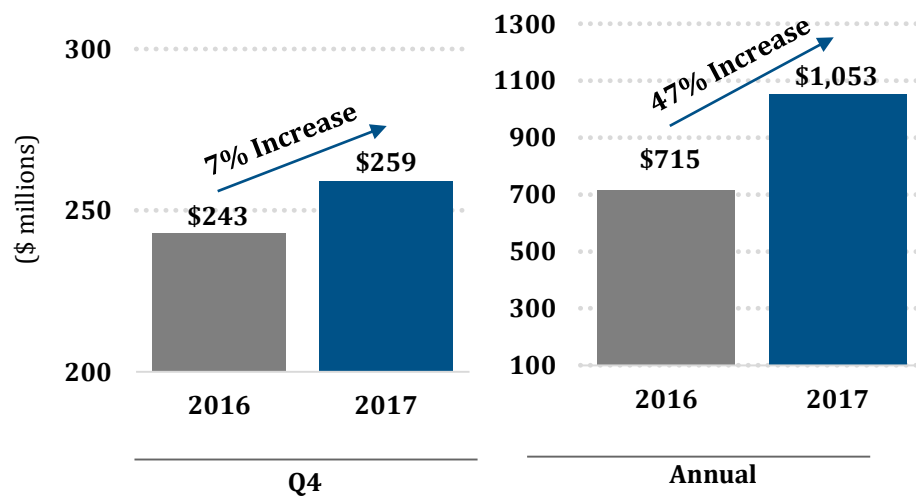
(3) Includes goodwill.

(4) Excludes earnings from Fortis' 33% equity investment in Belize Electricity Limited.

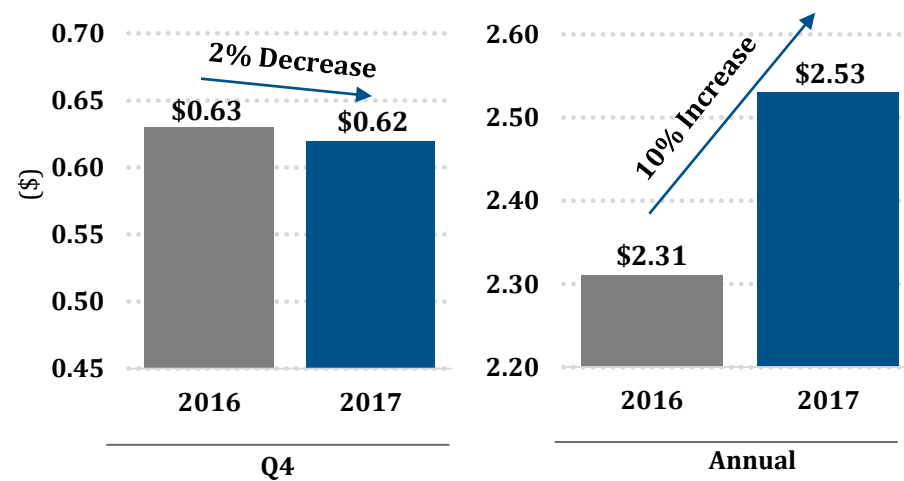


# Fortis Delivers Strong Results in 2017

## Adjusted Earnings



## Adjusted EPS



# Q4 2017 Results by Segment

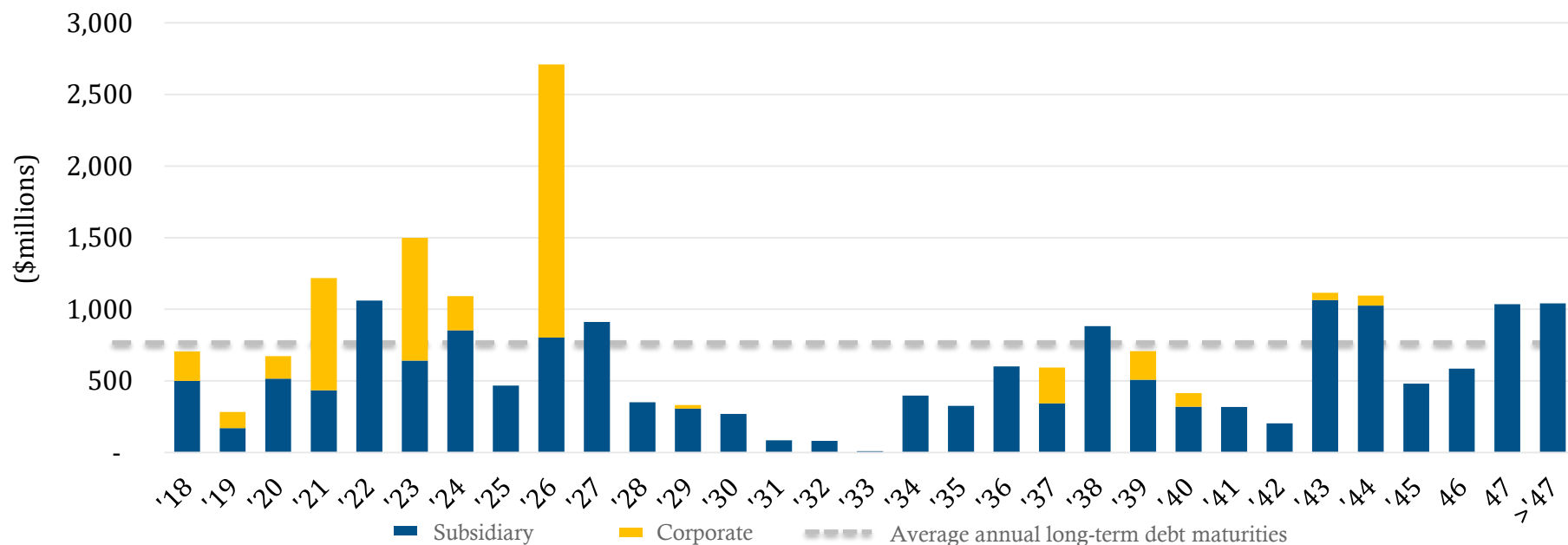
Fourth Quarter Variance Analysis by Segment									
(\$ in millions, excluding EPS)	Q4 2017	Adjustment	Q4 2017 (Adjusted)		Q4 2016	Adjustment	Q4 2016 (Adjusted)		Q4 (Adjusted) Variance
Regulated – Independent Electric Transmission									
ITC Holdings Corp.	(1)	91	90		59	22	81		9
Regulated – US Electric & Gas									
UNS Energy	28	5	33		29	-	29		4
Central Hudson	<u>22</u>	<u>2</u>	<u>24</u>		<u>20</u>	<u>2</u>	<u>20</u>		<u>4</u>
	50	7	57		49	-	49		8
Regulated Canadian & Caribbean Electric & Gas									
FortisBC Gas	66	-	66		70	-	70		(4)
FortisAlberta	29	-	29		30	-	30		(1)
FortisBC Electric	13	-	13		13	-	13		-
Eastern Canadian & Caribbean	<u>25</u>	<u>2</u>	<u>25</u>		<u>28</u>	<u>2</u>	<u>28</u>		<u>(3)</u>
	133	-	133		141	-	141		(8)
Other Energy Infrastructure	25	-	25		15	-	15		10
Corporate and Other	(73)	27	(46)		(75)	32	(43)		(3)
Net Earnings	\$134	\$125	\$259		\$189	\$54	\$243		\$16
Weighted Average Shares	420.1		420.1		384.6		384.6		35.5
EPS	\$0.32		\$0.62		\$0.49		\$0.63		\$(0.01)

# Annual 2017 Results by Segment

Annual Variance Analysis by Segment									
(\$ in millions, excluding EPS)	Annual 2017	Adjustment	Annual 2017 (Adjusted)		Annual 2016	Adjustment	Annual 2016 (Adjusted)		Annual (Adjusted) Variance
Regulated – Independent Electric Transmission									
ITC Holdings Corp.	272	91	363		59	22	81		282
Regulated – US Electric & Gas									
UNS Energy	270	(6)	264		199	18	217		47
Central Hudson	<u>70</u>	<u>2</u>	<u>72</u>		<u>70</u>	-	<u>70</u>		<u>2</u>
	340	(4)	336		269	18	287		49
Regulated Canadian & Caribbean Electric & Gas									
FortisBC Gas	154	-	154		151	-	151		3
FortisAlberta	120	-	120		121	-	121		(1)
FortisBC Electric	55	-	55		54	-	54		1
Eastern Canadian & Caribbean	<u>98</u>	-	<u>98</u>		<u>110</u>	-	<u>110</u>		<u>(12)</u>
	427	-	427		436	-	436		(9)
Other Energy Infrastructure	94	-	94		60	-	60		34
Corporate and Other	(170)	3	(167)		(239)	90	(149)		(18)
Net Earnings	\$963		\$1,053		\$585		\$715		\$338
Weighted Average Shares	415.5		415.5		308.9		308.9		106.6
EPS	\$2.32		\$2.53		\$1.89		\$2.31		\$0.22

# Manageable Debt Maturities<sup>(1)</sup>

Average annual long-term debt maturities



(\$millions)	2018	2019	2020	2021	2022	Total
Canadian Regulated Electric	136	7	36	31	34	<b>244</b>
U.S. Regulated	334	144	448	371	987	<b>2,284</b>
Other Segments <sup>(2)</sup>	30	18	32	32	39	<b>151</b>
Corporate	206	113	157	784	-	<b>1,260</b>
<b>Total</b>	<b>706</b>	<b>282</b>	<b>673</b>	<b>1,218</b>	<b>1,060</b>	<b>3,939</b>

(1) As at December 31, 2017.

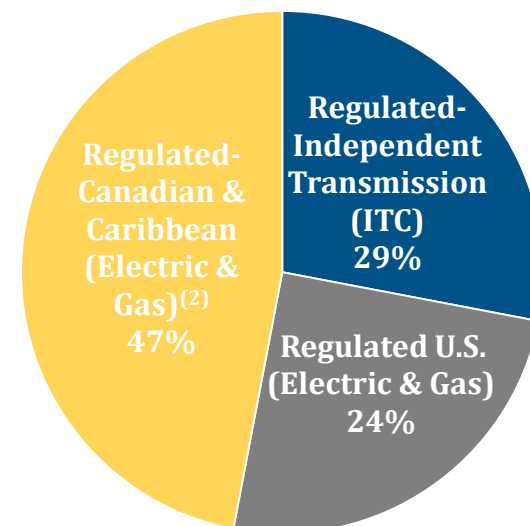
(2) Includes FortisBC Gas, Caribbean Utilities and Fortis Tucks and Caicos.

# 2018-2022 Capital Forecast by Segment

2018 Capital Forecast <sup>(1)</sup>	(\$ millions)
Regulated-Independent Transmission (ITC)	
ITC	863
Regulated-U.S. Electric & Gas	
UNS Energy	686
Central Hudson	275
Regulated-Canadian & Caribbean Electric & Gas	
FortisBC Gas	462
FortisAlberta	407
FortisBC Electric	104
Eastern Canadian	155
Caribbean	152
Other Energy Infrastructure	49
<b>Total Capital Expenditures</b>	<b>\$3,153</b>

## Fortis 2018F Rate Base<sup>(1)</sup>

~\$26.8 Billion



(\$billions) <sup>(1)</sup>	2018F	2019F	2020F	2021F	2022F
Regulated – Independent Transmission (ITC)	0.9	0.7	0.7	0.7	0.7
Regulated – U.S. Electric & Gas	1.0	1.0	0.8	0.8	0.7
Regulated – Canadian & Caribbean Electric & Gas <sup>(3)</sup>	1.3	1.3	1.4	1.5	1.6
Other Energy Infrastructure	-	-	-	-	-
<b>Total Capital Expenditures</b>	<b>\$3.2</b>	<b>\$3.0</b>	<b>\$2.9</b>	<b>\$3.0</b>	<b>\$3.0</b>

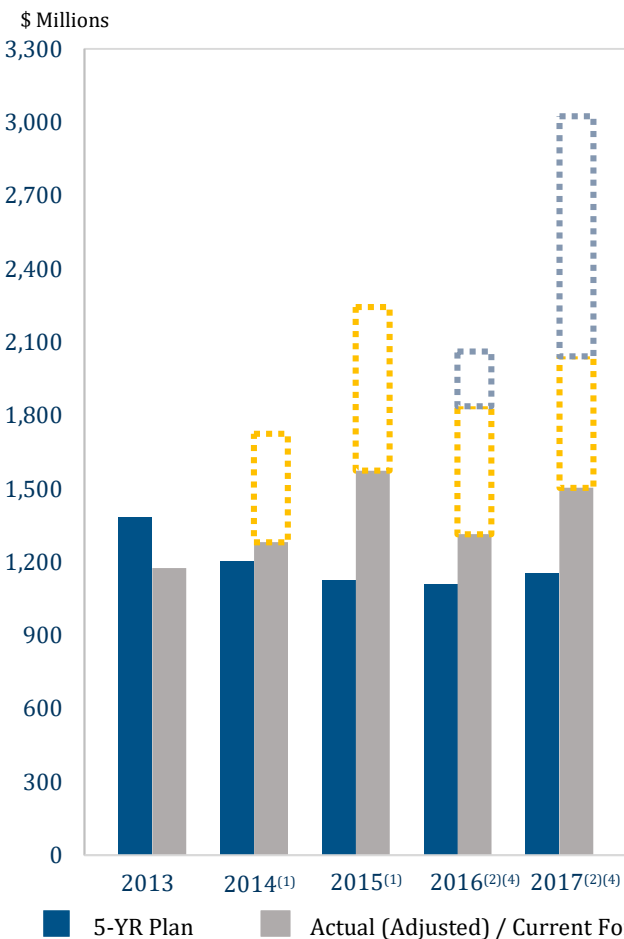
(1) US dollar-denominated rate base for 2018 to 2022 is based on the forecast average USD/CAD foreign exchange rate of \$1.28.

(2) Includes 100% of the Waneta Hydroelectric Expansion of which Fortis has a 51% controlling ownership interest.

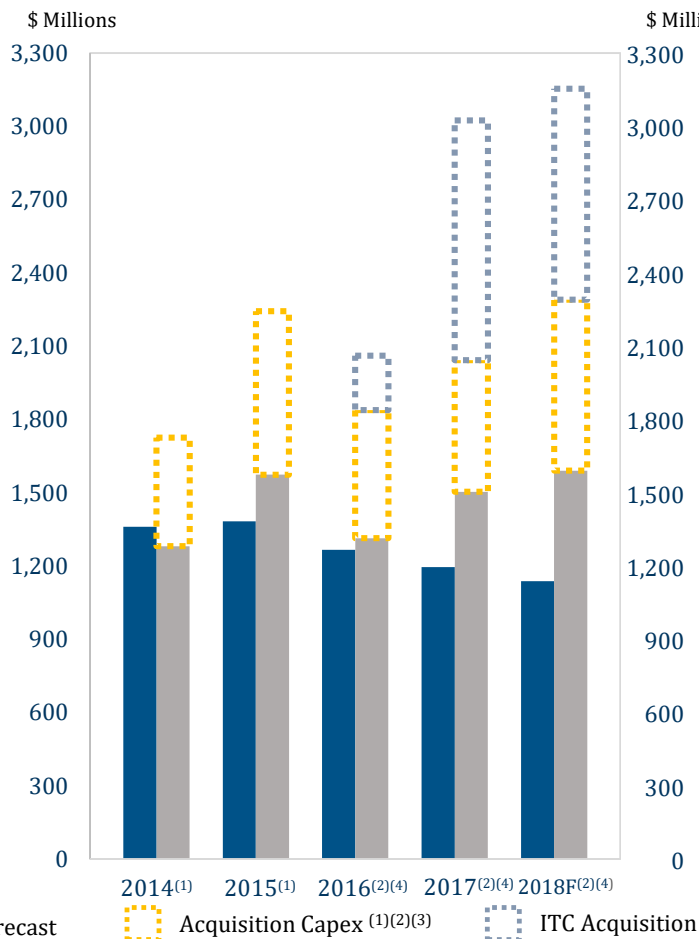
(3) Includes Fortis' effective 49% of the estimated capital spending for the Wataynikaneyap Power Project.

# Capital Expenditures Exceeding Expectations

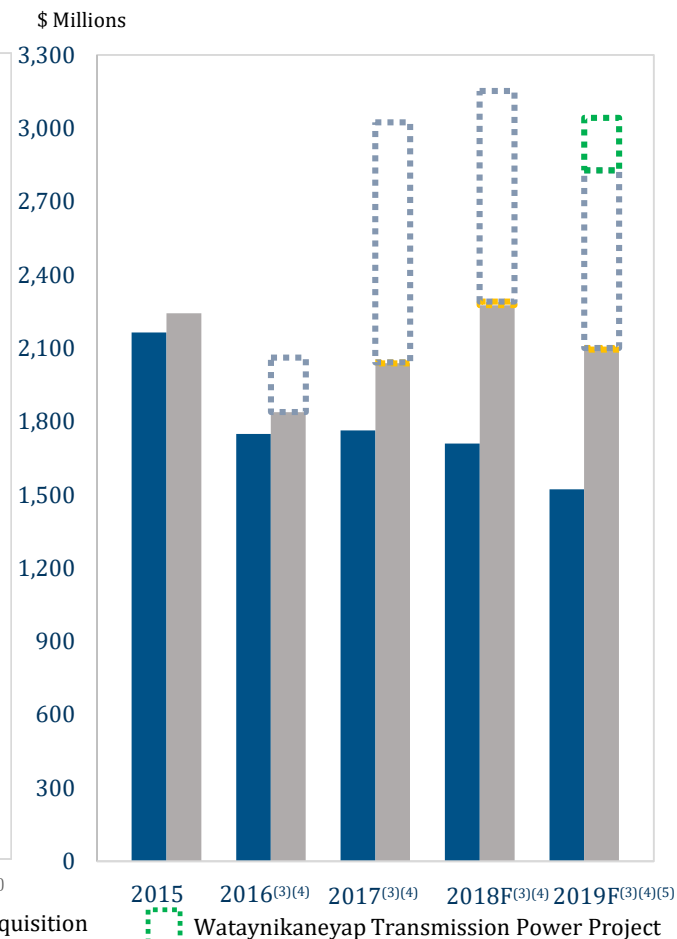
## 2013-2017 Business Plan Capex



## 2014-2018 Business Plan Capex



## 2015-2019 Business Plan Capex



(1) Acquisition capex relates to UNS Energy acquired in August 2014.

(2) Acquisition capex relates to UNS Energy acquired in August 2014 and capex from Aitken Creek effective April 1, 2016.

(3) Acquisition capex relates to Aitken Creek acquired April 1, 2016.

(4) ITC capex relates to capex contribution from ITC following acquisition in October 2016.

(5) Wataynikaneyap Transmission Power Project was announced in March 2018.

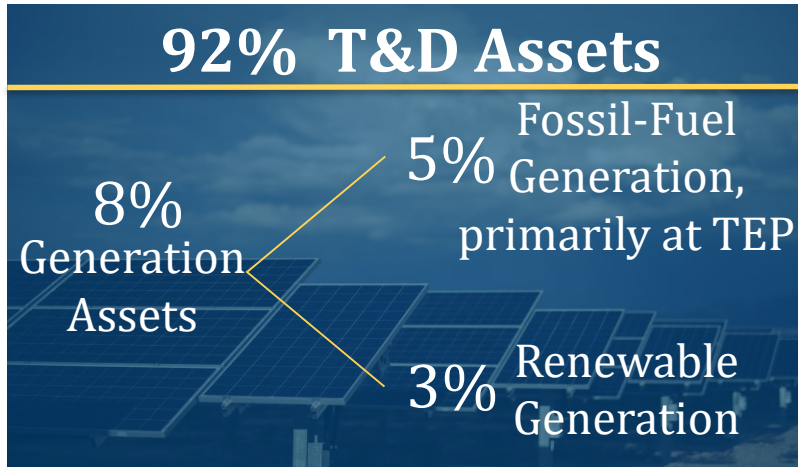


# Utility Debt Credit Ratings

Company	S&P	DBRS	Moody's
ITCTransmission	A	n/a	A1
Michigan Electric Transmission Company (METC)	A	n/a	A1
ITC Midwest	A	n/a	A1
ITC Great Plains	A	n/a	A1
ITC Holdings Corp.	A <sup>(1)</sup>	n/a	Baa2
Tucson Electric Power	A <sup>(1)</sup>	n/a	A3
Central Hudson	A-	n/a	A2
FortisBC Gas	n/a	A	A3
FortisBC Electric	n/a	A (low)	Baa1
FortisAlberta	A <sup>(1)</sup>	A (low)	n/a
Newfoundland Power	n/a	A	A2

(1) In March 2018, outlook was revised to negative from stable as a result of the outlook of Fortis Inc. changing to negative from stable.

# Focused on Sustainability and Delivering Cleaner Energy to Customers



## TEP CO2 Emissions Reduction



- Focused on transmission and distribution
- Shift to lower carbon and renewables with focus on providing safe, reliable and affordable energy to customers
- Newly appointed sustainability EVP to focus on enterprise-wide sustainability and stewardship priorities
- Stakeholder in Energy Impact Partners (EIP) utility coalition – a firm investing in companies focused on initiatives to create a clean, digital and transformed future
- All utilities have Environmental Management Systems; majority are ISO 14001 compliant
- Produced two environmental reports in 2017

# Expected Upcoming Events

## Expected Upcoming Earnings Release Dates

Q1 - 2018	May 1, 2018
Q2 - 2018	July 31, 2018
Q3 - 2018	November 2, 2018
Q4 - 2018	February 14, 2019

## Save the Date - 2018 Investor Days

Toronto	October 15, 2018
New York	October 16, 2018



**Barry Perry**  
*President & CEO*



**Karl Smith**  
*EVP, CFO*



**Jim Reid**  
*EVP, Chief Legal  
Officer & Corporate  
Secretary*



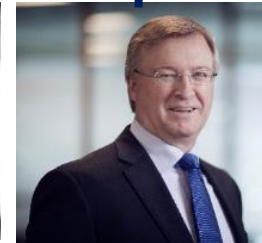
**Phonse Delaney**  
*EVP, Chief  
Information  
Officer*



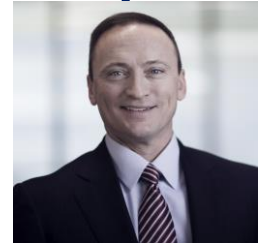
**Nora Duke**  
*EVP, Sustainability  
& CHRO*



**James Laurito**  
*EVP, Business  
Development*



**Gary Smith**  
*EVP, Eastern  
Canadian  
& Caribbean  
Operations*



**David Hutchens**  
*EVP, Western  
Utility Operations,  
President & CEO  
UNS Energy*



**Linda Apsey**  
*President & CEO  
ITC Holdings Corp.*



**Michael Mosher**  
*President & CEO  
Central Hudson*



**Karl Bomhof**  
*President & CEO  
FortisAlberta*



**Roger D'all Antonio**  
*President & CEO  
FortisBC*